

CONSTRUCTION LIEN ACT (EXCERPT)
Act 497 of 1980

570.1115 Waiver of construction lien.

Sec. 115. (1) A person shall not require, as part of any contract for an improvement, that the right to a construction lien be waived in advance of work performed. A waiver obtained as part of a contract for an improvement is contrary to public policy, and shall be invalid, except to the extent that payment for labor and material furnished was actually made to the person giving the waiver. Acceptance by a lien claimant of a promissory note or other evidence of indebtedness from an owner, lessee, or contractor shall not of itself serve to waive or discharge otherwise valid construction lien rights.

(2) A lien claimant who receives full payment for his or her contract shall provide to the owner, lessee, or designee a full unconditional waiver of lien.

(3) A lien claimant who receives partial payment for his or her contract shall provide to the owner, lessee, or designee a partial unconditional waiver of the lien for the amount which the lien claimant has received, if the owner, lessee, or designee requests the partial unconditional waiver.

(4) A partial conditional waiver of lien or a full conditional waiver of lien shall be effective upon payment of the amount indicated in the waiver.

(5) For purposes of this act, retainage that is not payable under a contract until the happening of a certain event in addition to the providing of an improvement is not due as of the date of the providing of the improvement.

(6) A waiver of a lien under this section shall be effective when a person makes payment relying on the waiver unless at the time payment was made the person making the payment has written notice that the consideration for the waiver has failed.

(7) Subject to subsection (8), if the improvement is provided to property that is a residential structure, an owner, lessee, or designee shall not rely on a full or partial unconditional or conditional waiver of lien provided by a person other than the lien claimant named in the waiver if the lien claimant has either filed a notice of furnishing under section 109 or is excused from filing a notice of furnishing under section 108 or 108a unless the owner, lessee, or designee has first verified the authenticity of the lien waiver with the lien claimant either in writing, by telephone, or personally.

(8) An agent who is authorized to prepare and serve a notice of furnishing or to prepare, record, and serve a claim of lien on behalf of a laborer or group of laborers is automatically authorized to provide and responsible for providing waivers of lien, unless or until the laborer or group of laborers notifies the designee in writing that someone other than the agent is authorized to provide appropriate waivers. An individual laborer may also provide waivers under this section instead of the agent.

(9) The following forms shall be used in substantially the following format to execute waivers of construction liens:

(a) PARTIAL UNCONDITIONAL WAIVER

I/we have a contract with to

(other contracting party)

provide for the improvement to the property described as , and by signing this waiver waive my/our construction lien to the amount of \$..... , for labor/materials provided through

(date)

This waiver, together with all previous waivers, if any, (circle one) does not cover all amounts due to me/us for contract improvement provided through the date shown above. If the improvement is provided to property that is a residential structure and if the owner or lessee of the property or the owner's or lessee's designee has received a notice of furnishing from me/one of us or if I/we are not required to provide one, and the owner, lessee, or designee has not received this waiver directly from me/one of us, the owner, lessee, or designee may not rely upon it without contacting me/one of us, either in writing, by telephone, or personally, to verify that it is authentic.

.....

.....

(signature of lien claimant)

Address:.....

Signed on:

(date)

.....
Telephone:.....

DO NOT SIGN BLANK OR INCOMPLETE FORMS. RETAIN A COPY.

(b) PARTIAL CONDITIONAL WAIVER

I/we have a contract with to
(other contracting party)

provide for the improvement to the property described as:..... , and by signing this waiver waive my/our construction lien to the amount of \$, for labor/materials provided through..... .
(date)

This waiver, together with all previous waivers, if any, (circle one) does does not cover all amounts due to me/us for contract improvement provided through the date shown above. This waiver is conditioned on actual payment of the amount shown above.

If the improvement is provided to property that is a residential structure and if the owner or lessee of the property or the owner's or lessee's designee has received a notice of furnishing from me/one of us or if I/we are not required to provide one, and the owner, lessee, or designee has not received this waiver directly from me/one of us, the owner, lessee, or designee may not rely upon it without contacting me/one of us, either in writing, by telephone, or personally, to verify that it is authentic.

.....
.....
(signature of lien claimant)

Signed on:
(date)

Address:.....
.....
Telephone:.....

DO NOT SIGN BLANK OR INCOMPLETE FORMS. RETAIN A COPY.

(c) FULL UNCONDITIONAL WAIVER

My/our contract with to
(other contracting party)

provide for the improvement of the property described as:..... has been fully paid and satisfied. By signing this waiver, all my/our construction lien rights against the described property are waived and released.

If the improvement is provided to property that is a residential structure and if the owner or lessee of the property or the owner's or lessee's designee has received a notice of furnishing from me/one of us or if I/we are not required to provide one, and the owner, lessee, or designee has not received this waiver directly from me/one of us, the owner, lessee, or designee may not rely upon it without contacting me/one of us, either in writing, by telephone, or personally, to verify that it is authentic.

.....
.....
(signature of lien claimant)

Signed on:
(date)

Address:.....
.....
Telephone:.....

DO NOT SIGN BLANK OR INCOMPLETE FORMS. RETAIN A COPY.

(d) FULL CONDITIONAL WAIVER

My/our contract with to
(other contracting party)

provide for the improvement of the property described as:..... has been fully paid and satisfied. By signing this waiver, all my/our construction lien rights against the described property are waived and released.

This waiver is conditioned on actual payment of If the improvement is provided to property that is a residential structure and if the owner or lessee of the property or the owner's or lessee's designee has received a notice of furnishing from me/one of us or if I/we are not required to provide one, and the owner, lessee, or designee has not received this waiver directly from me/one of us, the owner, lessee, or designee may not rely upon it without contacting me/one of us, either in writing, by telephone, or personally, to verify that it is authentic.

.....

.....

(signature of lien claimant)

Address:.....

Signed on:

(date)

.....

Telephone:.....

DO NOT SIGN BLANK OR INCOMPLETE FORMS. RETAIN A COPY.

History: 1980, Act 497, Eff. Jan. 1, 1982;—Am. 1981, Act 191, Eff. Jan. 1, 1982;—Am. 1982, Act 17, Eff. Mar. 1, 1982;—Am. 2006, Act 572, Imd. Eff. Jan. 3, 2007;—Am. 2007, Act 28, Imd. Eff. June 28, 2007.