

INSTRUCTIONS TO PERMITTING OFFICES

(PER N.C. GEN. STAT. §§44A-11.1, 44A-11.2, 160A-417, 153A-357, and 87-14)

Effective April 1, 2013, North Carolina law will require that an owner (or, as typical with permit applications, the contractor on their behalf) appoint a lien agent when they first contract for improvements to real property. A lien agent is a title insurer or agent also registered as a lien agent with the NC Department of Insurance.

However, the appointment is *not* required for improvements:

- (1) for which the costs of the undertaking are less than \$30,000, either at the time that the original building permit is issued or, in cases in which no building permit is required, at the time the contract for the improvements is entered into with the owner,
- (2) to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that is used by the owner as a residence; or
- (3) for which first furnishing of labor or materials at the site is prior to April 1, 2013.

The identification and contact information for the lien agent must be in 3 places:

- (1) "conspicuously set forth in the permit or in an attachment thereto"
- (2) Maintained in the inspection department "in the same manner and in the same location in which it maintains its record of building permits issued" and
- (3) "conspicuously and continuously posted on the property for which the permit is issued until the completion of all construction"

A website created specifically and solely for purposes of facilitating the filings of appointments of lien agents, the filing of notices to lien agents by potential lien claimants, and searching for these filings will be available April 1, 2013, at www.liensnc.com. So when the owner (or contractor on their behalf) appoints a lien agent through the LiensNC system, it will generate an Appointment of Lien Agent document or form for the property and project, which will include the following information:

- Designated Lien Agent and contact information (c/o LiensNC)
- Unique Entry or Identifying number for the Project
- Owner and contact information
- Contractor (if one)
- Instructions for the owner and/or contractor to post at the property and provide to the permitting office
- "QR Code" for easy access to the property information in the LiensNC system

The lien agent information form or document printed from the LiensNC website can be attached to the building permit application and building permit, for it will include the required information the permit office will need.

For further information regarding the LiensNC website, feel free to contact LiensNC, LLC, c/o Nancy Ferguson, President, at Chicago Title Company, LLC, 800-445-9983 or Nancy.Ferguson@ctt.com.

LIEN AGENT INFORMATION

Effective April 1, 2013

In accordance with North Carolina General Assembly Session Law 2012-158, Inspection Departments are not allowed to issue any permit where the project cost is \$30,000 or more unless the application is for improvements to an existing dwelling that the applicant uses as a residence **OR** the property owner has designated a lien agent and provided the inspections office with the information below:

Name of Lien Agent _____

Mailing address of Agent _____

Physical address of Agent _____

Telephone _____ Fax _____

Email _____

The information will be attached to the permit record and a copy provided to the applicant. The applicant is required to post a copy on the construction site.

Excerpt from North Carolina G.S. 160A-417:

(Effective April 1, 2013) No permit shall be issued pursuant to subdivision (1) of subsection (a) of this section where the cost of the work is thirty thousand dollars (\$30,000) or more, other than for improvements to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that the applicant uses as a residence, unless the name, physical and mailing address, telephone number, facsimile number, and electronic mail address of the lien agent designated by the owner pursuant to G.S. 44A-11.1(a) is conspicuously set forth in the permit or in an attachment thereto. The building permit may contain the lien agent's electronic mail address. The lien agent information for each permit issued pursuant to this subsection shall be maintained by the inspection department in the same manner and in the same location in which it maintains its record of building permits issued."