

What are the 4 different types of lien waivers?

A lien waiver is the release of lien rights up to a predetermined dollar amount. This is usually done once payment has been received by the contractor, sub or supplier. There are 4 different types of lien waivers and it's important to know which ones to use in specific situations.

CONDITIONAL VS. UNCONDITIONAL



Conditional Waivers

Lien rights are waived once the "condition" or payment is fulfilled.



Unconditional Waivers

Lien rights are waived the moment they're signed, whether or not you receive a complete payment.

Conditional Partial Payment

- Used when you expect regular progress payments throughout your work on the job.
- Once the money is in-hand, you commit to waiving your lien rights for work performed up to that point.
- These can be signed in advance without risking your lien rights.

Unconditional Partial Payment

- Used exclusively when you are expecting regular progress payments and want to release your lien rights for work you have already been paid for.
- Deemed effective as soon as it is signed and therefore should be executed only when funds have been deposited in your financial institution.

Conditional Final Payment

- Should only be used when you are expecting your final payment in-full for what you are owed on the project.
- Deemed invalid if you do not receive a complete payment, so you can retain your lien rights.

Unconditional Final Payment

- These should only be signed upon completion of the project and receipt of final payment.
- They are a formal release of all lien rights without protection and should therefore be executed and signed ONLY when funds have been deposited in your financial institution.