## INSTRUCTIONS FOR SWORN STATEMENTS AND WAIVERS OF LIEN

Examining the Sworn Statement and Waivers is the most important function we perform when insuring construction mortgage draws.

The attached sample Sworn Statement contains numbered columns that correspond with the numbered instructions below.

- 1. Lists all the sub-contractors, material suppliers and laborers (their addresses and telephone numbers) who will provide work or materials for construction of the project. Estimates should be used for unawarded contracts. Any additions or changes must be reflected on future Sworn Statements. It is important that each Sworn Statement reflect ALL laborers, material suppliers and subcontractors, not just those who are receiving payment from that draw request.
- 2. Lists the type of improvements, labor or materials provided. If materials are being provided by one person and the installation is being performed by someone else, they must be listed on separate lines. Do not combine labor and materials.
- Lists the Contract price to be paid to the party named in Column 1 over the course of the entire project. The total contract price must be shown on each and every draw request.
- 4. Change Orders (+) or (-). This column allows for adjustments to the original contract price. (This column could be titled "I've changed my mind, I want ------ instead.)
- 5. Adjusted Contract Price. Amends the original contract price (column 1) to reflect the change in column 4.
- 6. Amount Already Paid. This is the total of all previous payments to the party shown in Column 1.

- 7. Amount Currently Owing. This column shows the amount actually paid or to be paid through the current draw request. All amounts must be exact, excluding any retention. The lender will be doing their inspection and determining whether the work has been performed to justify this amount.
- 8. Total Retention Withheld. Shows any and all retention held by the lender through the current status of the construction. Retention is usually withheld only on commercial projects.
- 9. Balance to Complete. Column 5 (adjusted contract price, minus columns 6 (amount already paid) and 7 (amount currently owning) is the correct amount to be shown in this column.
- 10. Columns 10 and 11, related to laborer wages and withholdings, are used when a builder employs laborers (vs. sub-contractors). Any unpaid amounts in these columns will have priority over the draw if left unpaid. These columns are seldom used.

Column 7 when totaled, is the amount of the draw requested by the builder. The lender must be willing to disburse that amount based on their inspection. In the event the lender intends to disburse an amount that is less than the amount requested, you would insure only the amount that will be disbursed. Sometimes lenders are willing to disburse more than the amount in Column 7. WE CANNOT INSURE MORE. We would need a new Sworn Statement to reflect the increased draw amount.

CHECKS AND BALANCES: All the columns should be added with the total shown at the end of the column. The total figures in Columns 6, 7, 8 and 9 should total the amount shown in Column 5.

We want the original Sworn Statement, signed by the builder, dated and notarized.

### **WAIVERS**

We need to have original waivers in our file. All waivers must be signed (and verified, if by a party other than the claimant), dated and must state the work, materials or services provided. A court, if the project ends up there, will not accept copies. You may accept a fax copy at the time of draw, but need to obtain the original before the next draw. The name of the subcontractor, supplier or laborer must be fully identified.

When a subcontractor or supplier has been paid a portion of their contract, a Partial Unconditional Waiver is submitted. The Waiver must show the exact amount paid as well as the amount previously paid and the balance of the contract amount to be paid.

Once they have been fully paid, a **Full Unconditional Waiver** must be submitted by all parties named on the Sworn Statement, as well as the general contractor.

In the event that **conditional waivers** may be submitted, payment by the bank or title company directly to the sub-contractors and/or suppliers must be made.

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1		\$0.00			Architectural Services		_
0	Amount Already Paid	Adjusted Contract Price	Change Orders (+) or (-)	Total Contract Price	Type of Improvement Furnished	No. Name, Address and Telephone Number of Subcontractor, Supplier, or Laborer	Z
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						{insert legal description of property here}	
			ws:	scribed as follows:	_County, Michigan, described as		
'n	real property	t to the following	an improvement	bcontractor) for	is the (contractor) (subcontractor) for an improvement to the following real property in	1)	
					being duly sworn, states the		
sec	hing under to the second the seco	may provide a notice of furnishing under Sec the designee or to the owner or lessee if the	may provide a I			STATE OF MICHIGAN  COUNTY OF:	
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## CONTRACTOR OR SUBCONTRACTOR SWORN STATEMENT FOR



Title Insurance Company First American

avoid the claim of a subcontractor, supplier, or laborer who has provided a notice of furnishing or a laborer who may provide a notice of furnishing under Section 109 of the Construction Lien Act, 1980 PA 497, MCL 570.1109 to the designee or to the owner or lessee if the designee is not named or has died. WARNING TO OWNER OR LESSEE: An owner or lessee of the property may not rely on this Sworn Statement to

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00

## STATE OF MICHIGAN CONTRACTOR'S NAME: RESIDENTIAL NEW CONSTRUCTION PROJECT PERIOD FROM: REQUEST NO.: OWNER:

COUNTY OF

(1) That

County, Michigan, described as follows:

## CONTRACTOR OR SUBCONTRACTOR **SWORN STATEMENT FOR**



is the (contractor) (subcontractor) for an improvement to the following described real property situated in

SS	ТО:
being duly sworn, deposes and says:	
WARNING TO OWNER: AN OWNER OR LESSEE OF THE DESCRIBED PROPERTY MAY NOT RELY ON THIS SWORN STATEMENT TO AVOID THE CLAIM OF A SUBCONTRACTOR, SUPPLIER, OR LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING PURSUANT TO SECTION 109 OF THE CONSTRUCTION LIEN ACTO THE DESIGNEE OR TO THE OWNER OR LESSEE IF THE DESIGNEE IS NOT NAMED OR HAS DIED.	First American Title Insurance Company

(subcontracted) for performance under the contract with the owner or lessee thereof, and that the amounts due to the persons as of the date hereof are correctly and fully set forth opposite their names, as follows. (2) That the following is a statement of each subcontractor and supplier and laborer, for which laborer the payment of wages or fringe benefits and withholdings is due but unpaid, with whom the (contractor) (subcontractor) has (contracted) (insert legal description of property)

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																			Total Contract Price
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																			Amount Already Paid
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																7			Total Retention Withheld
																	\		Balance to Complete
																			Amount of Laborer Wages Due But Unpaid
																			Amount of Laborer Fringe Benefits and Withholdings Due But Unpaid

						A		Total	Dolono	Amount of	Amount of Laborer
No. h	Name of Subcontractor, Supplier or Laborer	Type of Improvement Furnished	Total Contract Price	Change Orders (+) or (-)	Adjusted Contract Price	Amount Already Paid	Amount Currently Owing	Hetention Withheld	to Complete	Laborer Wages Due But Unpaid	Fringe Benefits and Withholdings Due But Unpaid
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(NOTE the imp	(NOTE: SOME COLUMNS ARE NOT APPLICABLE TO ALL PERSONS LIGHTS)  (3) That the contractor has not procured material from, or subcontracted with, any person other than those set forth above and owes no money for the improvement other than the sums set fourth above.  (4) Deponent further says that he or she makes the foregoing statement as the (contractor) (subcontractor) or as	or subcontracted with, any person other than those set forth above and owes no money for or subcontracted with, any person other than those set forth above and owes no money for or subcontracted with, any person other than those set forth above and owes no money for or subcontracted with, any person other than those set forth above and owes no money for or subcontracted with, any person other than those set forth above and owes no money for or subcontracted with, any person other than those set forth above and owes no money for or subcontracted with, any person other than those set forth above and owes no money for or subcontracted with, any person other than those set forth above and owes no money for or subcontracted with, any person other than those set forth above and owes no money for or subcontracted with, any person other than those set forth above and owes no money for or subcontracted with, any person other than those set forth above and owes no money for or subcontracted with, any person other than those set forth above and owes no money for the subcontracted with a subcontr	n other than thos ontractor) (subco	e set forth abov ontractor) or as	e and owes no n	noney for	indemi any lic	nify and hold First	t American Title Ir	hereby agrees to indemnify and hold First American Title Insurance Company harmless agains any lien, claim or suit of or by any subcontractor, supplier, laborer or othe	hereby agrees to harmless agains, laborer or othe
of the a constru Section WARN PENAL BEING	of the above-described premises and his or her agents that the above-described property is free from claims of construction liens, or the possibility of construction liens, except as specifically set forth above and except for claims of construction liens by laborers which may be provided pursuant to Section 109 of the Construction Lien Act, Act No. 497 of the Public Acts of 1980, as amended, being Section 570.1109 of the Michigan Compiled Laws. WARNING TO DEPONENT: A PERSON, WHO WITH INTENT TO DEFRAUD, GIVES A FALSE SWORN STATEMENT IS SUBJECT TO CRIMINAL PENALTIES AS PROVIDED IN SECTION 110 OF THE CONSTRUCTION LIEN ACT, ACT NO. 497 OF THE PUBLIC ACTS OF 1980, AS AMENDED, BEING SECTION 570.1110 OF THE MICHIGAN COMPILED LAWS.	hat the above-described property is and except for claims of construction and except for claims of construction and except for claims of construction as amende NTENT TO DEFRAUD, GIVES A FOONSTRUCTION LIEN ACT, ACT I LED LAWS.	s free from claim tion liens by lab d, being Section ALSE SWORN : NO. 497 OF THE	s of construction orers which may 570.1109 of the STATEMENT IS PUBLIC ACTS	or construction lieris, or the possibility or construction lieris, or the possibility or trers which may be provided pursuant to 570.1109 of the Michigan Compiled Laws. TATEMENT IS SUBJECT TO CRIMINAL PUBLIC ACTS OF 1980, AS AMENDED,	rsuant to ed Laws. RIMINAL (IENDED,	constri whose been, This in other r	construction lien claimant if said lien, claim or suit is whose compensation for services or materials furnishe been, received whether directly or indirectly out of fund. This indemnity includes, but is not limited to, a reimbursen other reasonable expenses connected with the proper de Title Insurance Company of its insureds against claims of	nt if said lien, clair r services or mate directly or indirect but is not limited to but is nonected with r of its insureds again.	construction lien claimant if said lien, claim or suit is asserted by a claiman whose compensation for services or materials furnished was, or should have been, received whether directly or indirectly out of funds paid pursuant hereto. This indemnity includes, but is not limited to, a reimbursement of all legal fees and other reasonable expenses connected with the proper defense by First American Title Insurance Company of its insureds against claims of construction liens.	asserted by a claiman asserted by a claiman d was, or should have be paid pursuant hereto ment of all legal fees and fense by First American f construction liens.
Date:_		Deponent									
Subscr	Subscribed and sworn to before me this	day of		, 20			B Y:				
	Notary Public				County,	County, mornigan	<del>-</del>				
Му Со	My Commission Expires:						- - - -				
14 04 14 10											

# Small, Less Complex Project SWORN STATEMENT DATED:

State of Michigan County of	LENDER:	OWNER:
) ss. ADDRESS		
ADDRESS OF IMPROVEMENTS:	PERSON SUBMITTING:	COMPANY NAME:
FAX:	CELL/PHONE:	TELEPHONE:

The undersigned President or Owner of the company identified above (the "Contractor"), the builder or general contractor for the construction of certain improvements at the property described above, hereby swears and affirms that the following is a list of each professional, subcontractor, supplier and laborer that Contractor has retained in connection with such improvements and that opposite each such name is a correct and full description of the work or material to be provided by such party, the amount of the original contract or bid, the revised contract amount, if any, the aggregate amount of previous payments to such party, the current amount due such party as of the date set forth above, and the remaining amount required to complete the particular item of work, as follows:

			T		T	
						Name, Address, Telephone Number of Subcontractor, Supplier or Laborer
						Description of Work or Material
						Original Contract Amount
			1			Revised Amount
,			ı			Previous Payments
			-		2	Amount This Request
						Balance to Complete

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## **FULL CONDITIONAL WAIVER**

My/our contract with	to
provide	
of the property described as	
been fully paid and satisfied. By signing this waiver, all my/our construdescribed property are waived and released.	
This waiver is conditioned on actual payment of \$	
IF THE OWNER OR LESSEE OF THE PROPERTY OR THE OWNER'S OF RECEIVED A NOTICE OF FURNISHING FROM ME/ONE OF US OR IF I/W PROVIDE ONE, AND THE OWNER, LESSEE, OR DESIGNEE HAS NOT DIRECTLY FROM ME/ONE OF US, THE OWNER, LESSEE, OR DESIGNED WITHOUT CONTACTING ME/ONE OF US, EITHER IN WRITING PERSONALLY, TO VERIFY THAT IT IS AUTHENTIC.	'E ARE NOT REQUIRED TO T RECEIVED THIS WAIVER E MAY NOT RELY UPON IT
By: Signature of lien claimant or authorized officer or agent of lien claimant	ned on
Address: Street	
City, State Zip	
Telephone:	

\*\*WARNING: DO NOT SIGN BLANK OR INCOMPLETE FORMS. RETAIN A COPY.

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## **FULL UNCONDITIONAL WAIVER**

My/our contract with	to
provide	
of the property described as	
been fully paid and satisfied. By signing this waiver, all my/our construction lie	
described property are waived and released.	
IF THE OWNER OR LESSEE OF THE PROPERTY OR THE OWNER'S OR LESSE RECEIVED A NOTICE OF FURNISHING FROM ME/ONE OF US OR IF I/WE ARE PROVIDE ONE, AND THE OWNER, LESSEE, OR DESIGNEE HAS NOT RECEIVED FROM ME/ONE OF US, THE OWNER, LESSEE, OR DESIGNEE MAY WITHOUT CONTACTING ME/ONE OF US, EITHER IN WRITING, BY PERSONALLY, TO VERIFY THAT IT IS AUTHENTIC.	NOT REQUIRED TO IVED THIS WAIVER NOT RELY UPON IT
Name of Lien Claimant	
By: Signature of lien claimant or authorized officer or agent of lien claimant	Date
Address:	
Sueet	
City, State Zip	-
Telephone:	

\*\*WARNING: DO NOT SIGN BLANK OR INCOMPLETE FORMS. RETAIN A COPY.

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## PARTIAL CONDITIONAL WAIVER

I/we have a contract with	1		to
provide		for the imp	rovement
of the property described	l as	*	,
and by signing this waive	er, waive my/our construction lien	to the amount of \$	
for labor/materials provid	ed through		
×			
This waiver, together with	n all previous waivers, if any,	cover all amounts due	to me/us
for contract improvement	t provided through the date show	n above. This waiver is conditioned	on actual
payment of the amount s	hown above.		
RECEIVED A NOTICE OF PROVIDE ONE, AND TO DIRECTLY FROM ME/OWITHOUT CONTACTION	OF FURNISHING FROM ME/ONE HE OWNER, LESSEE, OR DES NE OF US, THE OWNER, LESS	THE OWNER'S OR LESSE'S DESIGN OF US OR IF I/WE ARE NOT REQU SIGNEE HAS NOT RECEIVED THIS EE, OR DESIGNEE MAY NOT RELY ER IN WRITING, BY TELEPHO	JIRED TO WAIVER UPON IT
Name of Lien Claimant			
By:Signature of	lien claimant or authorized officer or agent of lien claimant	Signed on	te
Address:  Street  City, State Zip			
Telephone:			>
**WARNING: D	O NOT SIGN BLANK OR INCOM	MPLETE FORMS. RETAIN A COPY.	
The following is supplied for info	rmational purposes only and is not in limit	tation or modification of the above waiver:	
Amount of Contract:	\$		
Previously Paid	\$		
This Payment	\$		
Retention Withheld	\$		
Balance to Become Due	\$		
Owner of Premises or Nar	me of Project		

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First American Title Insurance Company

47-025-023

## PARTIAL UNCONDITIONAL WAIVER

I/we have a contract with	1			to
	as			1
and by signing this waive	er, waive my/our constructi	on lien to the amount of	\$	_, for
labor/materials provided	through	*		
This waiver, together wi	th all previous waivers, if	any,cover a	all amounts due to me/u	s for
contract improvement pro	ovided through the date sho	own above.		
RECEIVED A NOTICE OF PROVIDE ONE, AND TO DIRECTLY FROM ME/OWITHOUT CONTACTION	SSEE OF THE PROPERT OF FURNISHING FROM M HE OWNER, LESSEE, O NE OF US, THE OWNER, NG ME/ONE OF US, IFY THAT IT IS AUTHENT	E/ONE OF US OR IF I/V R DESIGNEE HAS NO LESSEE, OR DESIGNE EITHER IN WRITING	VE ARE NOT REQUIRED T RECEIVED THIS WAI SE MAY NOT RELY UPO	TO VER
Name of Lien Claimant				
By:Signature	of lien claimant or authorized officer or agent of	lien claimant Sig	gned on	
Address:				
Street			Microsoft de Contraction de Contract	
City. State Zip				
l elepnone:				
**WARNING: D	O NOT SIGN BLANK OR	INCOMPLETE FORMS.	RETAIN A COPY.	
The following is supplied for info	rmational purposes only and is n	ot in limitation or modification o	of the above waiver:	
Amount of Contract:	\$			
Previously Paid	\$			
This Payment	\$	-		
Retention Withheld	\$	Ann Country would be from		
Balance to Become Due	\$			
Owner of Premises or Nar	me of Project			

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