

## It's No Longer Business as Usual - Government Office Closures Due to Coronavirus

Alert

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As the coronavirus (COVID-19) continues to wreak havoc on businesses and government offices nationwide, recent communications from county recording offices throughout the United States indicate they are reducing their hours and/or closing their offices until further notice. Many are not accepting mailed documents, walk-in recordings or even electronic recordings; while others are only accepting electronic recordings that will be processed as the newly limited time allows. These limited hours and office closures present a serious risk to owners, contractors and lenders alike.

Depending on your jurisdiction, the failure to timely file recording documents could have a huge impact on your property rights. For example, a contractor's failure to timely file liens with their respective government office could result in a decreased priority, or worse, the total loss of lien rights in jurisdictions where it must be recorded within a specific time period. Contractors could also face exposure to increased liability in cases where they are contractually obligated to keep a property lien-free, but cannot do so because of their inability to timely file releases or satisfactions. Similarly, owners who cannot get timely lien releases or satisfactions recorded face a continuing cloud on their title, potentially resulting in lost financing, additional transaction costs, and/or potentially jeopardizing their real estate transactions in total. Finally, lenders' lien rights may be diminished or barred, and their lending transactions could be significantly impacted by the coronavirus closures.

As the nation continues to combat COVID-19, and people develop ways to protect their lives and businesses, the following recommendations may help you preserve your property rights:

- Plan ahead. Do not wait until the last minute to file your documents, as the uncertainty of hours and closures may foreclose that opportunity completely, or at least diminish your property rights.

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- Confirm the manner in which your local government office is accepting documents, and ensure you comply with the new requirements. It is no longer business as usual.
- Get confirmation of delivery receipts, whether by mail or electronically, to provide an argument that your filing was timely, notwithstanding the limited hours or office closure.
- Communicate with all parties on the project to avoid running afoul of your contractual obligations.
- When in doubt, seek advice, counseling and assistance from your trusted real estate, lending, or construction law practitioner.

### **CONTACT**

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