

THE OFFICIAL WEBSITE OF THE
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<http://www.moorishrepublic.com/CommonLawLien.htm>

Common Law Liens

A lien is a legal device designed to ensure that an obligation is met. A lien represents a claim against property. Once attached, a lien freezes title in the name of the current owner of the lien property. There are two basic types of liens. A *commercial lien* is placed on property over which someone other than the lienor has lawful possession. A *common law lien* is placed on property over which the lienor has lawful possession.

A common law lien secures the lienor's interest in his own property. Have you ever wondered at the injustice of the current system of mortgages? If for any reason you are unable to make your monthly payments, foreclosure of your property can be initiated, and you can lose all of your equity! Is that just? Is that right? Is that lawful?

The common law lien provides a lawful method of ensuring that your equity is protected. You can lien your own property, establishing a claim against your interest in the property. There are three elements that determine the amount of your common law lien: equity, improvements and life experience. Equity means the actual amount of principal (not interest) you have paid for the property. Improvements are the actual amount of principal (not interest) you have paid for improvements to the property. Improvements are those expenses that increase the value of the land or property. Repairs or general maintenance are not considered improvements.

Under common law, life experience has value. The idea is that you have lived, worked, played, laughed, cried, in other words, you have put yourself into the property, and the property owes you as a result. We know of no formula for life experience; we use Three Thousand (3,000) dollars a year (or 250 dollars a month), which we believe to be a very low figure and therefore uncontestable. The amount of your common law lien is the total of your equity, improvements and life experience. However, under no circumstances should the total amount of your lien exceed the general market value of

the liened property, because that would call undue attention to the property, possibly infringe on your privacy, and might result in a legal challenge to your lien. Did you know that liens are not paid in chronological order but rather in the order of their character? For example, a mechanic's lien is always the first lien to be paid (the person who built your house gets paid before you receive full title to the property). Common law liens are the second lien paid. This means that if you do not have a mechanic's lien on your property, then your common law lien will be the first lien paid, should the property be sold, transferred, or otherwise liquidated.

Now let's take a simple example. You own a house purchased for 100,000 dollars. You have 20,000 dollars in equity and an 80,000-dollar mortgage. You have paid for 10,000 dollars in improvements. You have lived there for five years. Your common law lien is for 45,000 dollars (20,000 + 10,000 + 15,000).

There is a terrible drought and the crops don't come in for over three months. You cannot pay the mortgage during this time and the bank now wants to foreclose.

The bank finds a common law lien in the amount of 45,000 dollars, which they know will be paid *before the bank gets its money!* The bank is currently owed 80,000 dollars on the house. This means that the bank is going to have to sell this 100,000-dollar property for 125,000 dollars, just to get their money! What will the bank do? They will probably work with the customer. They will put on a kinder, gentler banking face.

Let us offer a warning here.

- Do not attempt to use the common law liens to commit fraud. An act of fraud vitiates any agreement, contract or circumstance.
- Do not make up figures for your lien.
- Do not take out a mortgage in Bad Faith, without intending to pay it back.

The common law lien is a tool to ensure justice. It is designed to secure your interest in your own property. Use it accordingly.

If you need a Common Law Lien Prepared please contact our Commercial Lien Division at support@moorishrepublic.com