

CHAPTER 1215
PRIORITY OF CONSTRUCTION MORTGAGE LIEN
H.F. 2463

AN ACT relating to the priority of construction mortgage liens.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 572.18, Code 1983, is amended to read as follows:

572.18 **PRIORITY OVER OTHER LIENS.** Mechanics' liens shall be preferred to all other liens which may attach to or upon any a building or improvement and to the land upon which it is situated, except liens of record prior to the time of the original commencement of the work or improvements; ~~but the.~~ However, construction mortgage liens shall be preferred to all mechanics' liens of claimants who commenced their particular work or improvement subsequent to the date of the recording of the construction mortgage lien. For purposes of this section, a lien is a "construction mortgage lien" to the extent that it secures loans or advancements made to directly finance work or improvements upon the real estate which secures the lien. The rights of purchasers, encumbrancers, and other persons who acquire interests in good faith and for a valuable consideration, and without notice, after the expiration of the time for filing claims for such mechanics' liens, shall be are prior to the claims of all contractors or subcontractors who have not, at the dates such rights and interests were acquired, filed their claims for such liens.

Approved May 7, 1984