

## Recording Requirements & Instructions

### Bonds to Indemnify

#### Property Code Chap. 53.171

1. When the Recorder brings the Bonds to Indemnify document into the Property Records Department to record it
  - a. The Deputy Clerk will examine the document, to make sure that it references the Originally Recorded Mechanics Lien/s
  - b. that the Surety Bond is attached
  - c. and that a copy of the originally recorded mechanics lien/s are attached. \*(If the originally recorded mechanics lien/s are not attached, then the Deputy Clerk will have to print this/these off and the recorder will be charged for copies on their transaction.)\*
2. The Deputy Clerk will then create a Notice on Bond to Indemnify Against Mechanics Lien letter on blue border paper complete w/ Deputy Clerk Signature and Rockwall County Texas, County Court Seal for each Obligee / Claimant on the Mechanics Lien. That means a separate letter for each separate claimant. (blue border paper is located in the storage room, template for letter is on the Z Drive under Property Documents) This letter / These letters will be attached to the back of the Bonds to Indemnify document. .
3. The Deputy Clerk will then take the batch of papers along with an envelope to the postal metering machine and weigh them for certified mailing with return receipt, because the Recorder will be responsible for the postage for mailing out the Notices to the Claimants as well.
4. The Deputy Clerk will then create a Certificate of Mailing (template located on the Z Drive) where they will list each copy of the Notice of Bond to Indemnify Against Mechanics Lien certified mailing for each .....claimant that is going out immediately upon recording of the document. This will then be attached to the back of the Bonds to Indemnify Document and will complete the document.
5. You are now ready to charge your Recorder the Recording and Transaction Fees and Record your Bond To Indemnify Document.

## Fees

1st Page \_\_\_\_\_ \$26.00

Each Add'l Page \_\_\_\_\_ \$ 4.00 (make sure that you have counted all pages that you have added as well because they are part of the document now)

If Deputy Clerk had to print copy/copies of originally recorded

Mechanic's Lien \_\_\_\_\_ #Pages X \$ 1.00

Each Copy of Recorded Document printed out to mail out to claimant

\_\_\_\_\_ # Pages X \$ 1.00

Misc /Postage Meter X Mailing \$ ??? (Varies with weight of mailing)

### SUBCHAPTER H. BOND TO INDEMNIFY AGAINST LIEN

#### Sec. 53.171. BOND.

- (a) If a lien, other than a lien granted by the owner in a written contract, is fixed or is attempted to be fixed by a recorded instrument under this chapter, any person may file a bond to indemnify against the lien.
- (b) The bond shall be filed with the county clerk of the county in which the property subject to the lien is located.
- (c) A mechanic's lien claim against an owner's property is discharged after:
  - (1) a bond that complies with Section 53.172 is filed;
  - (2) the notice of the bond is issued as provided by Section 53.173; and
  - (3) the bond and notice are recorded as provided by Section 53.174.

Acts 1983, 68th Leg., p. 3549, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1989, 71st Leg., ch. 1138, Sec. 24, 39(1), eff. sept. 1, 1989; Acts 1997, 75th Leg., ch. 526, Sec. 18, eff. sept. 1, 1997.

#### Sec. 53.172. BOND REQUIREMENTS. The bond must:

- (1) describe the property on which the liens are claimed;
- (2) refer to each lien claimed in a manner sufficient to identify it;

- (3) be in an amount that is double the amount of the liens referred to in the bond unless the total amount claimed in the liens exceeds \$40,000, on which case the bond must be in an amount that is the greater of 1-1/2 times the amount of the liens or the sum of \$40,000 and the amount of the liens;
- (4) be payable to the parties claiming the liens;
- (5) be executed by:
  - (A) the party filing the bond as principal; and
  - (B) a corporate surety authorized and admitted to do business under the law in this state and licensed by this state to execute the bond as surety, subject to Section 1, Chapter 87, Acts of the 56<sup>th</sup> Legislature, Regular Session, 1959 (Article 7.19-1, Vernon's Texas Insurance Code); and
- (6) be conditioned substantially that the principal and sureties will pay to the named obliges or to their assignees the amount that the named obliges would have been entitled to recover if their claims had been proved to be valid and enforceable liens on the property.

Acts 1983, 68<sup>th</sup> Leg., p. 3549, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1989, 71st Leg., ch. 1138, Sec. 25, eff. Sept. 1, 1989; Acts 1997, 75th Leg., ch. 1132, Sec. 2, eff. Sept. 1, 1997.

#### Sec. 53.173. NOTICE OF BOND.

- (a) After the bond is filed, the county clerk shall issue notice of the bond to all named obliges.
- (b) A copy of the bond must be attached to the notice.
- (c) The notice must be served on each obligee by mailing a copy of the notice and the bond to the obligee by certified mail addressed to the claimant at the address stated in the lien affidavit for the obligee.
- (d) If the claimant's lien affidavit does not state the claimant's address, the notice is not required to be mailed to the claimant.

Acts 1983, 68th Leg., p. 3550, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1989, 71st Leg., ch. 1138, Sec. 26, eff. Sept. 1, 1989; Acts 1997, 75th Leg., ch. 526, Sec. 19, eff. Sept. 1, 1997.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 690 (H.B. 2237), Sec. 25, eff. January 1, 2022.

#### Sec. 53.174. RECORDING OF BOND AND NOTICE.

- (a) The county clerk shall record the bond, the notice, and a certificate of mailing in the real property records.

## Bond To Indemnify Information Sheet

Property Code 53.171 – 53.174

*If a lien, other than a lien granted by the owner in a written contract, is fixed or is attempted to be fixed by a recorded instrument (under Chapter 53 of Property Code), any person may file a bond to indemnify (guard or secure against anticipated loss; give security against future damage or liability)*

Notice should be mailed by certified mail to All Obligees:

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Notice is being sent from Obligor (Requestor): (not the clerk's office)

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Name of Principal on the Bond: \_\_\_\_\_

Name of Surety on the Bond: \_\_\_\_\_

Property and Improvements (address or Property Description)

\_\_\_\_\_

Amount of Bond \$ \_\_\_\_\_ Amount of Claim \$ \_\_\_\_\_

Claimant(s) (Name and Address):

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

City, State, Zip \_\_\_\_\_

City, State, Zip \_\_\_\_\_