**TALKING POINTS**

**Lender Notice of Default**

1. Property Owner in default on a construction loan. Lender stops funding and declares the owner in default. *Lender doesn’t tell the construction team they are no longer funding the project*. Construction team keeps on building with no knowledge that the owner is in default and funding on the project has stopped. Bank forecloses. The contractor and subcontractors lose all of their retainage, payment for unpaid work prior to default, *plus* the value of all of their unpaid work since the time the lender notified the owner of its default on the loan.

***2. The construction team needs a notice from the lender when the lender notifies the owner that it will no longer fund the construction loan so the construction team can make a decision on whether to keep working. Construction companies should have an option to stop work if they are not going to be paid!***