**Terms of 10 year Forgivable Loan for WT Aid for ADU’s Accessory Dwelling Unit program:**

 1. Declining loans structured as mortgages are made to owner-occupied single-family units to cover essential upgrades on a primary residence. The declining loan is secured by a property lien recorded at the Dukes County Registry of Deeds. This lien is removed by a mortgage discharge after 10 years of compliance by the borrower has passed; the loan balance declines by 1/10th in each year of compliance until it reaches zero.

2. Borrowers must hold title to the property.

3. All those named on a deed must agree to the loan by signing all legal documents even if they do not occupy the premises.

4. The maximum loan amount of $25,000 is available, as described in the Program Guidelines.

5. All loans are developed for conversions of existing space to an Accessory Apartment/ Accessory Dwelling Unit.

6. No penalties will be assigned provided borrowers remain in compliance and notify the Town of West Tisbury of any changes of property status.

7. The borrower may sell the property during the 10-year term. Upon the sale or transfer of the property, the owner will repay the unforgiven portion of the loan.

 8. Direct heirs may assume the loan and its obligations if title to the property transfers before term ends. They may live in the property, find eligible year-round tenants for the Accessory Dwelling Unit, or sell the property and pay back the remaining balance due.