

**ADVISORY OPINION AO-1989-004
RECONSTITUTED AS ETHICS INTERPRETATION EI-1989-004
ISSUED JULY 12, 1989**

The Oklahoma Council on Campaign Compliance and Ethical Standards ["the Council"] has received your request for an advisory opinion asking, in effect:

Can a candidate loan his personal funds to his campaign with interest, and if so, are there any limitations on the rate of interest to be charged?

Title 74 O.S. Supp. 1988, § 4211 (E) reads:

Expenditures made by a candidate from his own funds, including but not limited to, any funds loaned to him by a bank, savings and loan association or credit union, and on his own behalf shall not be considered as contributions but shall be reported as expenditures.

Title 74 O.S. Supp. 1988, § 4217 (A) reads, in pertinent part:

Contributions received by any candidate shall be used to defray any campaign expenditures..."

Title 74 O.S. Supp. 1988, § 4202 (6) (a) defines the term "contribution" as not to include:

...money loaned to a candidate in connection with his own campaign by a bank, savings and loan association or credit union which is to be repaid with interest at a rate comparable to that of loans for equivalent amounts for other purposes,...

While these provisions do not mention funds loaned by a candidate to his campaign, there is no prohibition against it. There is, however, implied in the entirety of § 4217 the prohibition against contributions being converted for personal use.

While there are no specific provisions in the Act which would limit the amount of interest that could be charged by a candidate loaning money to his campaign, if the interest charged were higher than "a rate comparable to that of loans for equivalent amounts for other purposes", the candidate could be accused of converting contributions for personal use in violation of § 4217.

It is, therefore, the advisory opinion of the Council, as voted on at its regular meeting on July 12, 1989, that a candidate may loan his personal funds to his own campaign which may be repaid with interest, comparable to that of loans for equivalent amounts for other purposes, from contributions to his campaign.