WAC 390-16-226 Loans. (1) Only loans which are recorded in a written loan agreement executed at the time of the loan and properly reported may be repaid by a candidate or political committee. Surplus campaign funds under RCW 29B.10.520 and 29B.40.090 may only be used to return a contribution to the candidate if the contribution was properly reported as a loan from the candidate, as described in subsections (2) and (3).

(2) If any person gives or loans the candidate funds in connection with his or her campaign, the funds are not considered personal funds of the candidate. See WAC 390-17-305. Such funds are considered a contribution from the original source of the contribution under chapter 29B.25 RCW *and*, unless the loan meets the exemption provided in RCW 29B.40.170(3) and this subsection, the contribution is subject to the contribution limits provided in chapter 29B.40 RCW, as adjusted by WAC 390-05-400.

(a) If a candidate or candidate's own political committee or campaign or authorized committee receives a loan from a commercial lending institution, the loan is exempt from the contribution limits of RCW 29B.40.020 and WAC 390-16-310, as adjusted by WAC 390-05-400, only if all the following criteria are met:

(i) The loan is not guaranteed by any other person;

(ii) The loan is made in the regular course of business; and,

(iii) The loan is made on the same terms ordinarily available to the public.

(b) A commercial loan to a candidate's own committee or campaign or authorized committee is presumed to be guaranteed by the candidate. The presumption is rebuttable by clear, cogent and convincing evidence.

(3) The amount of campaign contributions which may be used to repay a loan made by the candidate to the candidate's own political committee or campaign, or to repay a commercial loan to a candidate's own political committee or campaign where the candidate is the borrower or guarantor, is limited to the loan repayment limit in RCW 29B.40.130(3) as adjusted by WAC 390-05-400. For purposes of the loan repayment limit, these loans are aggregated for each primary, general, special or recall election and must be designated accordingly by the candidate at the time the loan is made.

(4) If a candidate makes documented out-of-pocket campaign expenditures on behalf of their campaign expecting repayment (not intending to make an in-kind contribution), the campaign committee must repay the candidate within 21 days of the expenditure or the candidate will be deemed to have made a loan to his or her campaign committee which must qualify for repayment under subsections (1) and (2) in order for the candidate to be repaid. Undocumented out-of-pocket campaign expenditures by the candidate are in-kind contributions not eligible for repayment.

[Statutory Authority: RCW 42.17A.110 and 2024 c 164. WSR 26-01-209, s 390-16-226, filed 12/24/25, effective 1/1/26. Statutory Authority: RCW 42.17A.110 and [42.17A.]125. WSR 23-12-036, § 390-16-226, filed 5/30/23, effective 6/30/23. Statutory Authority: RCW 42.17A.110(1) and 2018 c 304. WSR 18-24-074, § 390-16-226, filed 11/30/18, effective 12/31/18. Statutory Authority: RCW 42.17A.110. WSR 12-03-002, § 390-16-226, filed 1/4/12, effective 2/4/12. Statutory Authority: RCW 42.17.370(1). WSR 02-03-018, § 390-16-226, filed 1/4/02, effective 2/4/02; WSR 00-22-056, § 390-16-226, filed 10/27/00, effective

11/27/00. Statutory Authority: RCW 42.17.370. WSR 93-16-064, § 390-16-226, filed 7/30/93, effective 8/30/93.]