

Add Loan Accounts

Even if you do not use Quicken for maintaining a balance sheet, you may still want to amortize and/or record loans using the liability account features.

Note: Line of credit notes are best handled as credit card accounts in Quicken. See the line of credit account instructions under Various Topics for more details.

We have a land loan with a remaining balance of \$70,192.86. The land note at origination was for \$94,936 to be repaid over 15 years at 8.5% interest with annual payments (9 years of payments remain).

Add liability accounts

Tools


Add Account Loan







Click on create a **manual loan account** at the bottom of the window.


Add information as in the following screens.

Loan Details

Name of this loan in Quicken
 Loan Type

 You may need to check your latest loan statement or lender website to complete this form.

Opening date	<input type="text" value="8/15/2008"/>	 Date this loan started
Original balance	<input type="text" value="94,936.00"/>	 Amount of this loan on the opening date
Current interest rate	<input type="text" value="8.50%"/>	
Original length	<input type="text" value="15"/> <input type="text" value="Years"/>	
Compounding period	<input type="text" value="Semi-Annually"/>	
Payment schedule	<input type="text" value="Annually"/>	
Current balance	<input type="text" value="64,729.54"/>	
Annual Payment	<input type="text" value="11,556.50"/>	 Principal + Interest amount only 



Note that a payment amount, \$11,556.50, has been calculated and now appears in Annual Payment (Principal + Interest amount only) field.

Click **Next**

Loan Details

Land Note

Annual Payment

Next payment due (required)

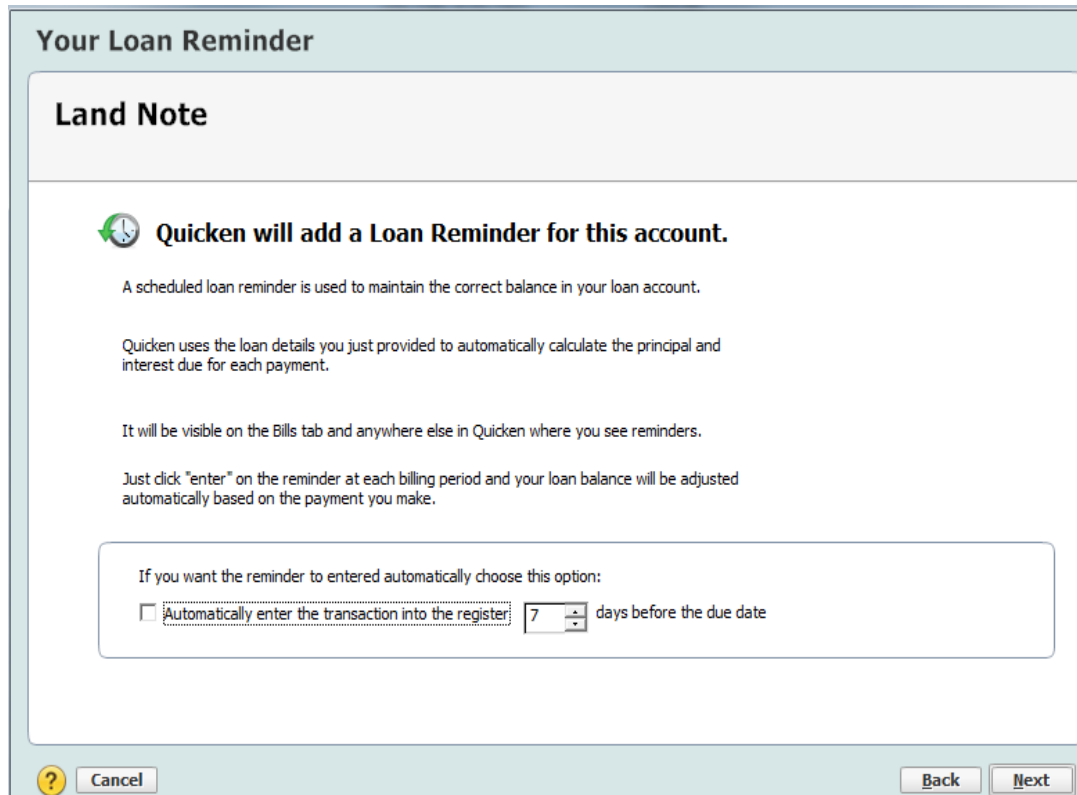
Principal	\$5,937.57
Interest	\$5,618.93
Other	<input type="text" value="0.00"/>
Extra principal paid Annual	<input type="text" value="0.00"/>

Total Payment: 11,556.50

Extra principal determines total ?
 Total determines extra principal ?

On the right hand side are two options: Extra principal determines total or Total determines extra principal. This can be changed to match your preference. For this example, “Extra principal determines total” is selected.

Click **Next**



Quicken includes a loan reminder that will automatically remind you to pay the loan and enter the transaction in advance of the due date. For this example, the default of 7 days prior to the due date is used.

Click **Next**

The loan payment requires a split transaction as the principal paid is applied to the loan balance in the appropriate loan liability account (Land Note) while interest paid is recorded in the checking register as a farm mortgage interest expense.

To edit the default, change the *From account* to **Farm Checking**.

Click *Split* (hover your cursor to see the blue font) to view the following Split Transaction screen.

Loan Payment Reminder

Pay to: Land Note

Due Next On: 8/15/2016 Once per year on August 15

Amount due: \$11,556.50 (Edit)

From account: Farm Checking

Category: **Y Split** ←

Tag: no tag

Memo: no memo

Optional Settings

Remind me 7 days in advance (change) Sync to Outlook

Related website (add) Print Check with Quicken

Cancel Done

Then select the *Split* sign once more:

Land Note

Category: --Split-- **Y** Tag: --Split--

Memo:

OK Cancel

Change the Interest Expense category and delete the lines with zero amounts:

Split Transaction

Enter multiple categories to itemize this transaction; use the Memo field to record more details.

	Category	Memo	Amount
1.	[Land Note]		5,937.57
2.	Farm Interest Expense:Farm Mortgage	Next Edit	5,618.93
3.			
4.			
5.			

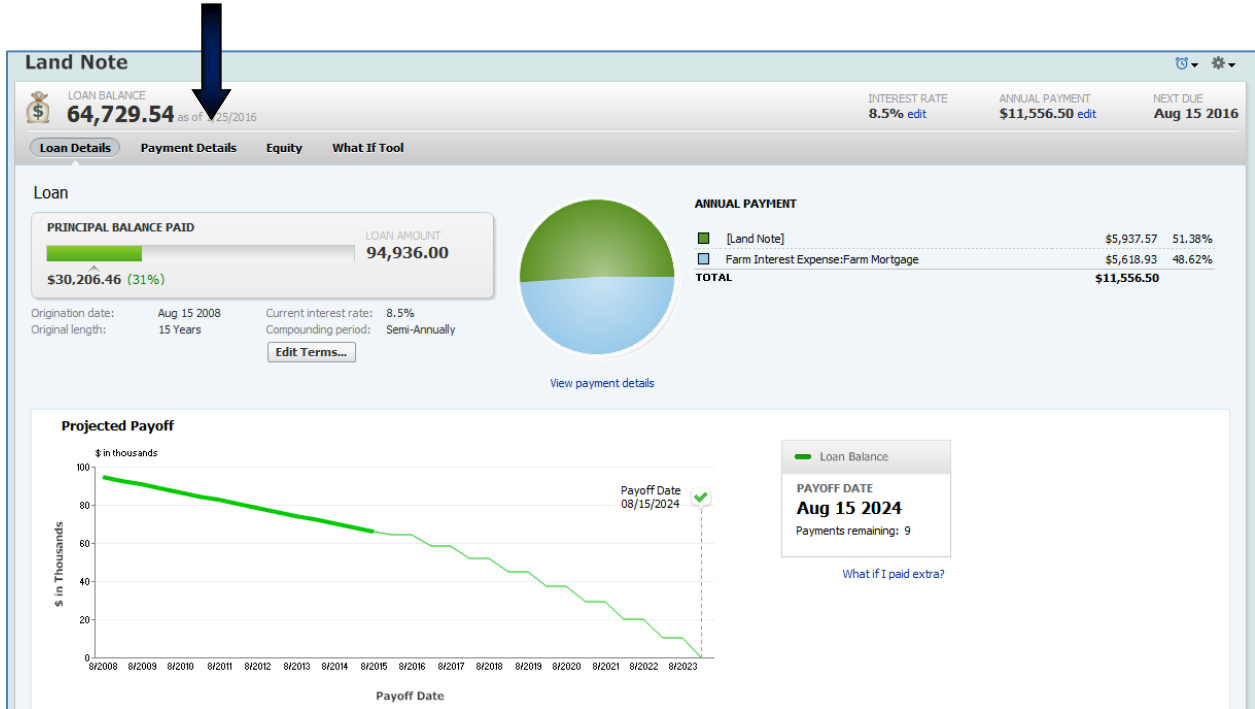
Click **OK**, **OK** and **Done**

Note: If you want to create a balance sheet in Quicken and have an asset account for each piece of property, you could "Add linked asset account". If you do not link an

account now, you can add asset information later. See the balance sheet instructions for more information. For this example, no asset account will be selected.

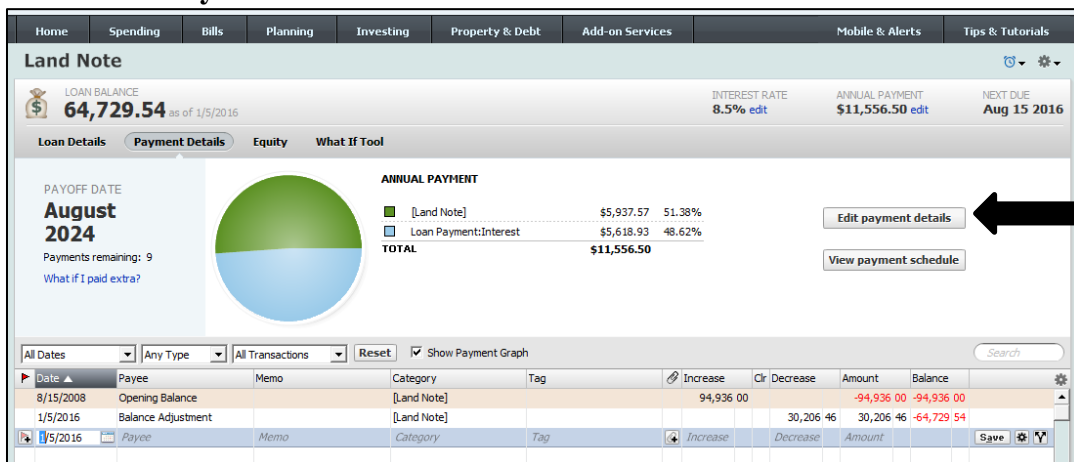
Click **Done**

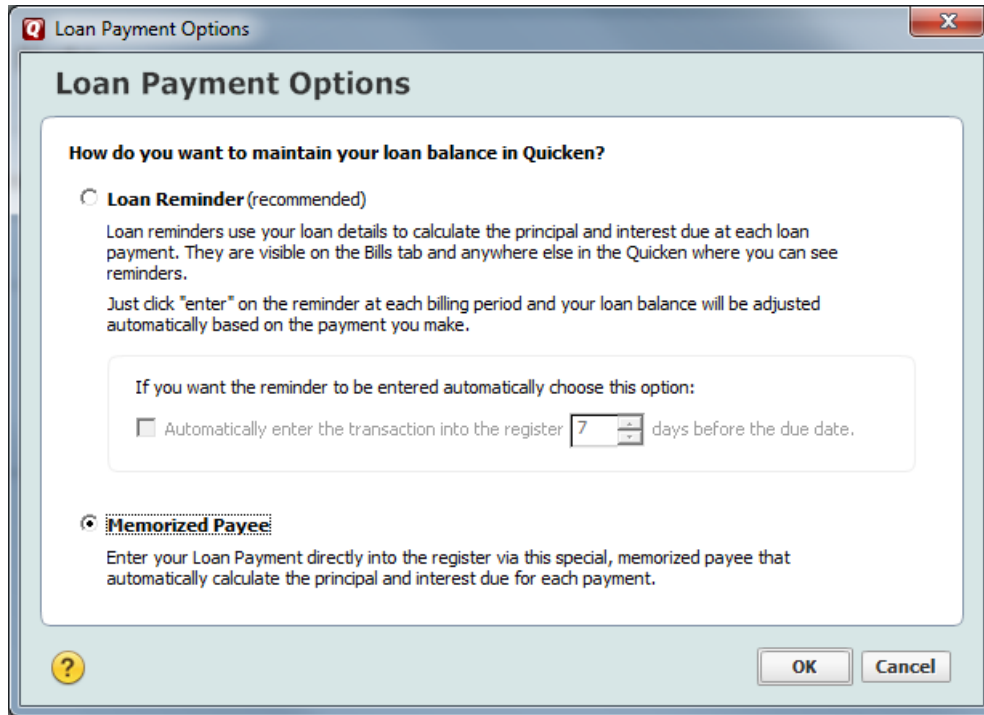
Next you will see the following screen:



Click on the **Payment Details Tab**. Note the Balance Adjustment deducted from the original loan balance to bring it to the current balance.

Click on **Edit payment details**, then select **Payment Options** at bottom left corner, and then select **Memorized Payee**.





Click OK