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.

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

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.
Then select the *Split* sign once more:

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

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