

Chapter 47 **LOAN MANAGER**

Loan Manager will easily track the loan balances, principal, interest and escrow amounts on a periodic basis. Adding a loan in the Loan Manager does not post to any accounts in your company file. Enter a bill or a check using the Loan Manager will post transaction to the right account with an option to change the amounts is necessary. You **MUST** enter a property name as a Class when you enter a bill or check using Loan Manager.

This chapter is optional.

IMPORTANT

Loan Manager module does not backup with your QuickBooks company file. You have to make a backup for the file with extension .lmr. For example "All Star.lmr". Search for *.lmr to find the location of the file on your computer.

Objectives

Upon completion of this chapter, you will be able to:

- Add a loan in the Loan Manager
- Record a loan payment
- Record escrow expenses
- View What if Scenarios...

IMPORTANT

Loan Manager is a separate file from your company's QuickBooks file.

You have to manually backup the file with an extension .lmr

On your computer, search for the file *.lmr

ADD A LOAN

Before adding a loan, make sure you have entered the liability account and the lender name. Refer to Section 3 chapter Properties

To enter loan details:

- Click **Banking** on the menu bar
- Select Loan Manager
- Click **Add a Loan**

Screen Shot 208 Add Loan

- Complete the fields as follows

Field	Data
Account Name	Loan liability account name
Lender	Lender's name
Origination Date	Date of loan
Original Amount	Loan amount
Term	Term of loan
	Select from the drop down arrow
Click Next	

Table 74 Add Loan

- Enter the payment information for this loan

Screen Shot 209 Add Loan 2

- Complete the fields as follows

Field	Data
Due Date of Next Payment	Due date
Payment Amount	Total amount of Principal + Interest
Next Payment Number	Number of total payments to be made
Payment Period	Select from the drop down arrow
Does this loan have an escrow payment?	Yes or No
Escrow Payment Amount	Escrow amount
Escrow Payment Account	Bank account
Alert me 10 days before payment is due	Select if you want a reminder
Click Next	

Table 75 Add Loan 2

- Enter the interest information for this loan:

The screenshot shows a dialog box titled "Add Loan" with a close button (X) in the top right corner. The main heading is "Enter interest information for this loan". The fields are as follows:

- Interest Rate: 7.254 %
- Compounding Period: Monthly (with a link: [What is an exact days compounding period?](#))
- Compute Period: 365/365
- Payment Account: Checking
- Interest Expense Account: Administrative/Office Expense:Interest Expense
- Fees/Charges Expense Account: Administrative/Office Expense:Bank Service Charges

At the bottom, there are five buttons: Previous, Next, Finish, Cancel, and Help.

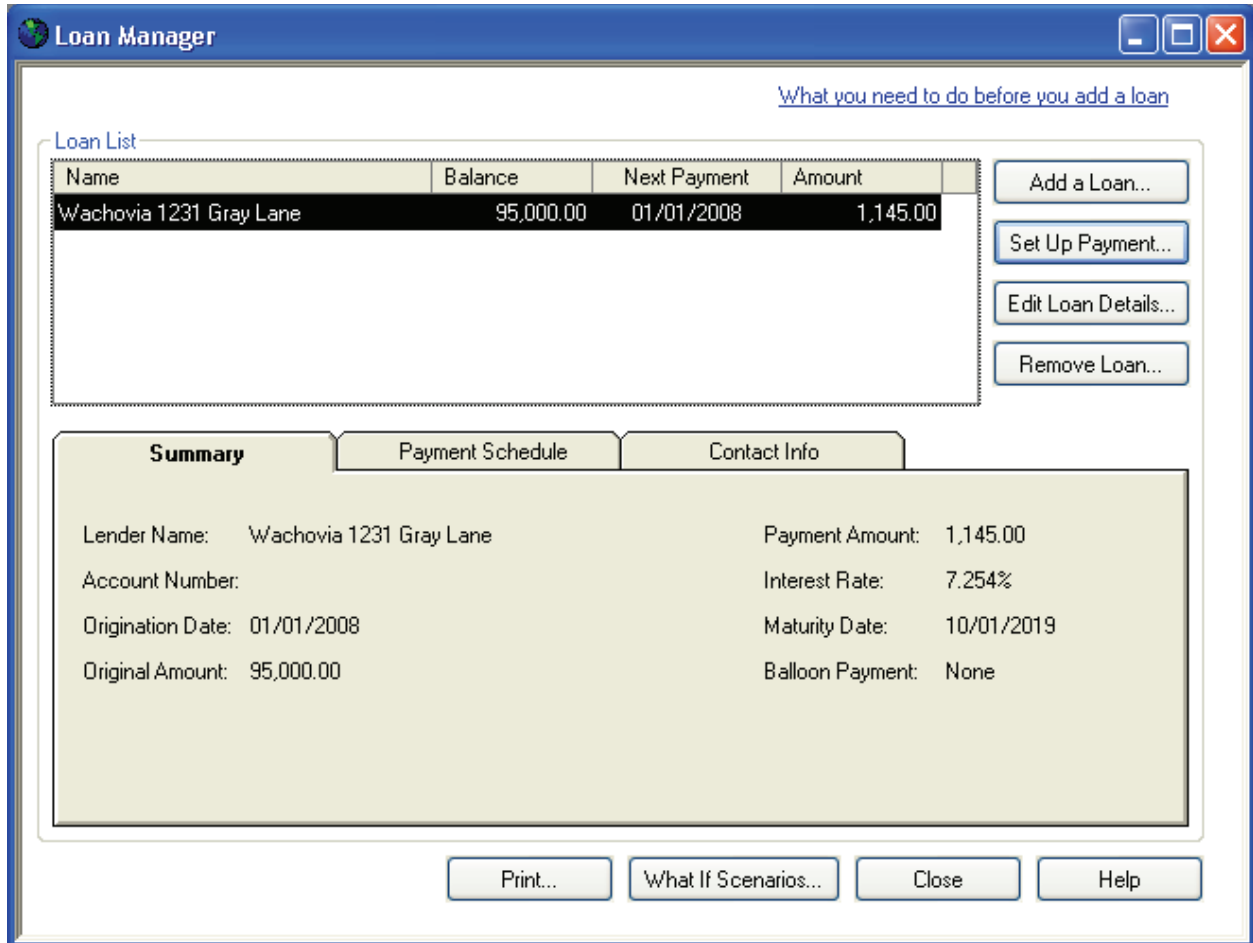
Screen Shot 210 Add Loan 3

- Complete the fields as follows

Field	Data
Interest Rate	Enter the rate
Compounding Period	Select from the drop down arrow
Payment Account	Bank account
Interest Expense Account	Interest Expense
Fees/Charges Expense Account	Select from the drop down arrow
Click Finish	

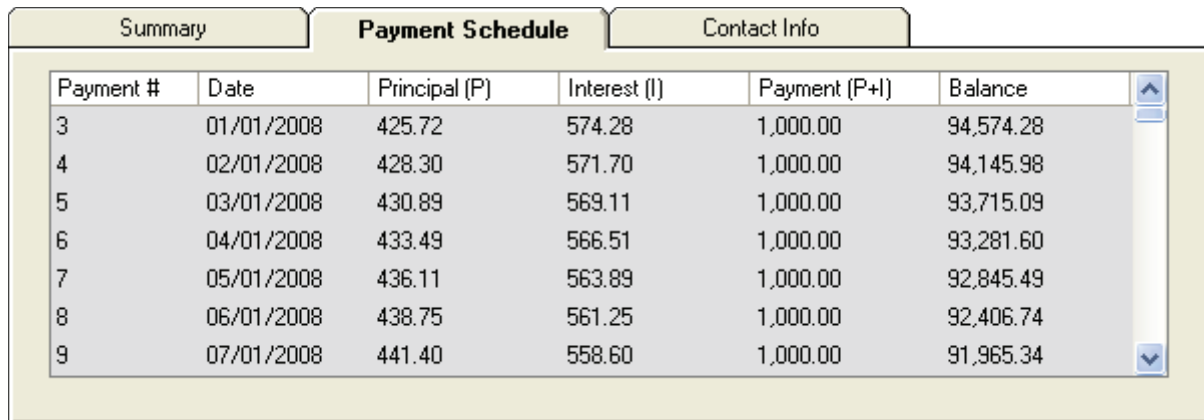
Table 76 Add Loan 3

- View all details in reference to your loan by clicking on Summary:



Screen Shot 211 Loan Summary

- Click on Payment Schedule:



Screen Shot 212 Payment Schedule

- Click on Contact Info:

Summary	Payment Schedule	Contact Info
Contact Name: Phone: 800-845-5895 Fax: Email:		Address Wachovia Bank Mortgage Street Loan, PA 19047

Screen Shot 213 Contact Info

RECORD LOAN PAYMENT

The loan manager calculates the principal, interest and escrow after you have added a loan in the Loan Manager.

To enter bill or check for a loan:

- Click **Banking** on the menu bar
- Select Loan Manager
- Highlight a Loan from the list
- Click **Set Up Payment...**

IMPORTANT

When you enter a bill or check using Set Up Payment... in Loan Manager, it will not enter the property name as a Class. You will have to remember to enter the property name for each transaction.

Set Up Payment

This payment is [Why should I pay my loans from the Loan Manager?](#)
[What is the difference between a regular and an extra payment?](#)

Account Information

Account Name: Wachovia 1231 Gray Lane
 Lender: Wachovia 1231 Gray Lane
 Bank Account: Checking

Payment Information

Principal (P)	<input type="text" value="425.72"/>	Fees & Charges	<input type="text" value="0.00"/>	Payment Number	<input type="text" value="3"/>
Interest (I)	<input type="text" value="574.28"/>	Escrow	<input type="text" value="145.00"/>		
Total P+:	1,000.00	Total Payment:	1,145.00		

Payment Method

I want to

OK Cancel Help

Screen Shot 214 Set Up Payment

- Complete the fields as follows

Field	Data
This payment is	Regular or extra payment
Principal (P)	Change as needed
Interest (I)	Change as needed
Fees & Charges	As needed
Escrow	Change as needed
Payment Number	Payment number or the month
I want to	Write a check or Enter a bill
Click OK	
Enter the property name and verify your date and amounts on the bill or check before you save the transaction.	

Table 76-1 Set Up Payment

RECORD ESCROW EXPENSES

To record the escrow expenses refer to Section 5 chapter Mortgages and Escrows

WHAT IF SCENARIOS

Loan Manager allows you to choose different scenarios to calculate the change in payment, interest, refinancing and evaluating two new loans. Enter the data in each scenario to calculate the Total Payments, Total Interest and Balloon Payment.

WHAT IF I CHANGE MY PAYMENT AMOUNT?

What If Scenarios

Choose a scenario: What if I change my payment amount? ▾

Choose a loan: Wachovia 1231 Gra

Current Balance: 95,000.00
 Amount Borrowed: 95,000.00
 Origination Date: 01/01/2008
 Maturity Date: 10/01/2019
 Payment Amount: 1,000.00
 Payment Period: Monthly
 Interest Rate: 7.254%
 Next Payment Date: 01/01/2008

Total Payments: \$141,694.73
Total Interest: \$46,694.73
Balloon Payment: N/A

Maturity Date: 01/01/2016
 Payment Amount: 1,300.00

Total Payments: \$125,744.50
Total Interest: \$30,744.50
Balloon Payment: N/A

Buttons: Calculate, Print..., OK, Cancel, Help

Screen Shot 215 What if I change my payment amount?

WHAT IF I CHANGE MY INTEREST RATE?

What If Scenarios
✕

Choose a scenario: What if I change my interest rate?

Choose a loan: Wachovia 1231 Gray Lane

Wachovia 1231 Gray Lane

Current Balance:	95,000.00
Amount Borrowed:	95,000.00
Origination Date:	01/01/2008
Maturity Date:	10/01/2019
Payment Amount:	1,000.00
Payment Period:	Monthly
Interest Rate:	7.254%
Next Payment Date:	01/01/2008
Total Payments: \$141,694.73	
Total Interest: \$46,694.73	
Balloon Payment: N/A	

New Loan

Payment Amount:	\$944.84
Interest Rate	6.180 %
<input type="button" value="Calculate"/>	
Total Payments:	\$134,167.23
Total Interest:	\$39,167.23
Balloon Payment:	N/A
<input type="button" value="Print..."/>	

Screen Shot 216 What if I change my interest rate/

HOW MUCH WILL I PAY WITH A NEW LOAN?

What If Scenarios
✕

Choose a scenario How much will I pay with a new loan? ▾
[Why is the loan origination date important?](#)
[What if I don't know my payment amount?](#)

New Loan

Amount Borrowed 55,000.00

Origination date 01/01/2010 📅

Term 60 Months

Payment Amount 1,041.07 (optional)

Payment period Monthly ▾

Interest Rate 5.125 %

Next Payment Date 01/15/2010 📅

Calculate

Total Payments: \$62,464.24

Total Interest: \$7,464.24

Balloon Payment: N/A

Print...

OK
Cancel
Help

Screen Shot 217 How much will I pay with a new loan?

WHAT IF I REFINANCE MY LOAN?

What If Scenarios ✕

Choose a scenario: What if I refinance my loan? ▼ [Why is the loan origination date important?](#)

Choose a loan: Wachovia 1231 Gray Lane ▼ [What if I don't know my payment amount?](#)

Wachovia 1231 Gray Lane

Current Balance:	95,000.00
Amount Borrowed:	95,000.00
Origination Date:	01/01/2008
Maturity Date:	10/01/2019
Payment Amount:	1,000.00
Payment Period:	Monthly
Interest Rate:	7.254%
Next Payment Date:	01/01/2008
Total Payments: \$141,694.73	
Total Interest: \$46,694.73	
Balloon Payment: N/A	

New Loan

Amount Borrowed	<input style="width: 100%;" type="text" value="87,000.00"/>
Origination Date	<input style="width: 100%;" type="text" value="09/01/2009"/> 📅
Term	<input style="width: 50%;" type="text" value="36"/> Months
Payment Amount	<input style="width: 80%;" type="text" value="2,736.31"/> (optional)
Payment Period	Monthly ▼
Interest Rate	<input style="width: 50%;" type="text" value="8.250"/> %
Next Payment Date	<input style="width: 100%;" type="text" value="09/01/2009"/> 📅
<input style="width: 100%;" type="button" value="Calculate"/>	
Total Payments: \$98,507.14	
Total Interest: \$11,507.14	
Balloon Payment: N/A	
<input style="width: 100%;" type="button" value="Print..."/>	

Screen Shot 218 What if I refinance my loan?

EVALUATE TWO NEW LOANS

✕
What If Scenarios

Choose a scenario Evaluate two new loans ▼ [Why is the loan origination date important?](#)
[What if I don't know my payment amount?](#)

New Loan #1

Amount Borrowed 75,000.00

Origination date 01/01/2010 📅

Term 60 Months

Payment Amount 1,441.43 (optional)

Payment period Monthly ▼

Interest Rate 6.250 %

Next Payment Date 01/15/2010 📅

Calculate

Total Payments: \$87,698.16

Total Interest: \$12,698.16

Balloon Payment: \$2,653.79

Print...

New Loan #2

Amount Borrowed 75,000.00

Origination Date 01/01/2010 📅

Term 60 Months

Payment Amount 1,389.75 (optional)

Payment Period Monthly ▼

Interest Rate 4.251 %

Next Payment Date 01/15/2010 📅

Calculate

Total Payments: \$83,385.06

Total Interest: \$8,385.06

Balloon Payment: N/A

Print...

OK
Cancel
Help

Screen Shot 219 Evaluate two new loans