



Accounts needed:

- Liability account for the loan with the lender's name on the Payee/Vendor tab or if the lender wants to remain anonymous create a Liability account with a generic name
- Expense account for the interest

To show the money being received and the setup of the Loan:

- A *Journal Entry* to *Debit* the regular checking account and *Credit* the loan liability

To pay back the Loan:

- *Enter Bills* for the interest, select the loan liability and charge the interest against the expense account
- *Pay Bills* authorizing the payment of the interest and adding any principle being repaid