

News about Nelnet's PLUS MPN and E-Signature Services

Yvonne Secure

Nelnet's continuing efforts to improve the company's products and services has not gone unnoticed. To help streamline the loan delivery process, Nelnet has implemented some additional system enhancements to support the new PLUS MPN with e-signature capabilities, and increase functionality for Nelnet's existing online Stafford processes. This functionality adds to e-signature services already available online for both Stafford and Consolidation loan applications.

New features include:

- Electronic PLUS MPN processing: allows Nelnet to receive, process, and send electronic PLUS MPN records within application send files.
- School-initiated online applications with e-signature for Stafford and PLUS MPNs: provides schools with a greater ability to control the application process. Schools initiate the application process, then borrowers are directed to e-sign the application online.
- Borrower-initiated online PLUS MPN applications with e-signature: allows parent borrowers to initiate the PLUS MPN process. Schools are then notified of applications awaiting certification.

In addition, Nelnet has also enhanced Nteract and Nterchange products with increased reporting, printing, and archive functionality to assist both school and lender users with managing student borrower information. This new offering includes:

- Nteract Certified/Signature Status Report: allows schools and lenders to receive additional information about existing MPNs, including how a borrower signed their MPN - either wet-

signed, e-signed, or if the MPN is not yet signed.

- Printing applications: allows lenders to view and print pre-filled Stafford MPNs, PLUS MPNs, and PLUS Common applications using Nteract. Printing is available for both wet-signed and e-signed applications.
- Open lender borrower-initiated flow: in the spirit of Nelnet's open lender philosophy, schools will now be able to include both full-service and participating lenders on their preferred lender list when utilizing a borrower-initiated flow for loans. This feature is already available for the school-initiated flow.
- Previous lender archive: to provide increased service to schools and borrowers, this view functionality will enable Nelnet's Nterchange product to display previous lender information for borrowers who have used non full-service lenders in the past when schools provide Nelnet with this information.

Simplifying the delivery of funds to schools and borrowers and providing lenders with the tools they need to manage their data are part of our continued commitment to our customers. We will continue to keep you informed of new product enhancements as they become available. If you have any questions, please contact your Lender Product Support Officer.

Note 1: PLUS Common applications will be available and processed until 6/30/04.

Note 2: E-signature is not available for PLUS Common applications, only for PLUS MPNs.

Note 3: Borrowers will always have the option of printing their MPN if they choose not to e-sign.

Note 4: Nteract is a web-based student loan origination and disbursement management system designed to streamline the application and disbursement process for schools and improve coordination and communication between financial aid offices and lenders.

Note 5: Nterchange is a web-based student loan account management system that provides the ability to view the status of a new loan application, disbursement dates / amounts, and repayment account information.



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Nelnet Default Aversion Program Update Program

Tim Puckett

Nelnet continues to move forward with the implementation of the new collections and default aversion initiatives. The company will have all four strategies in place by the first of the year. In fact, some lenders are already participating in parts of our new strategy.

As clients may recall, the four areas that Nelnet is implementing are:

1. Skip tracing will be performed on accounts 0 to 9 days past due to improve customer service and resolution rates in the 31 to 60 day range and lower delinquency levels, which will reduce monthly delinquency surcharges.
2. Work high balance (over \$40,000) accounts that are 31 to 60 days past due, which will address the risk of default of high dollar accounts.
3. Additional due diligence for accounts 60 to 180 days past due, to improve resolution rates in the 61 to 90 range and the 91 to 120 range. Again, this will lower delinquency levels and monthly delinquency surcharges.
4. Back-end collections for accounts that are past due 181 to 250 days, to improve resolution rates in the 181 to 210 day range and the 240 to 270 day range. This will lower default ratios significantly; which will reduce the amount paid for 2% risk sharing and also the cost of filing claims.

Nelnet is confident default ratios will be lowered significantly once these four strategies are in place. Delinquency rates will also be lowered, which can lead to a substantial savings in delinquency surcharges with every percentage decrease. Nelnet will base improvements on statistical models and empirical data run against the Nelnet company owned portfolio and other lenders that currently participate in our enhanced processes. Of course, there are no guarantees because every portfolio is a little bit different, but we are confident that we will definitely improve default and delinquency ratios.

Any lender interested in participating should contact their Lender Product Support Officer so an analysis can be prepared on their student loan portfolio. The analysis will show ways to improve performance and further clarify expected savings from these initiatives. In addition, any costs associated with participating in the Nelnet service will be provided in the analysis.

Nelnet Nsight update

Deb Moon

The "Nsight" project is moving forward as expected. Progress is being made with the design of the data warehouse structure and files which will be available for querying. The Nelnet project team has attended software vendor training and are becoming experts with the data warehouse products. Construction will begin shortly.

Along with the new products that will be introduced with "Nsight" there are terminologies that will be introduced.

Central Repository - Platform and software where student loan data will be stored. Software product will be acquired to transfer production data real-time to the central repository as transactions are processed on borrower's accounts.

DataMirror - Product name of the software that will be used to synchronize the production system and the central repository.

Data Mart - Data structure that enables business intelligence tools to return rapid query results.

Dashboards - Predefined queries that will display results on one's desktop.



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Denver, Colorado - 2003 Lender Academy

Carl Casey

Nelnet will be hosting this year's Lender Academy from October 21st through October 24th, 2003 at the company's Denver location. The Lender Academy is composed of two formats. The first of which is an open forum discussion to address key areas of Nelnet. Secondly is a learning environment regarding key processes and procedures and how they pertain to the lender. The Lender Academy is designed to provide the client with the flexibility to participate in either format, or both.

New to Nelnet this year is the Open Forum, a round-table discussion designed to share information between the company's Lenders and Nelnet. Clients will be given the opportunity to participate openly in a discussion intended to address some of the key processing areas at the Denver location. Members from the leadership team will attend this forum to discuss items specific to their areas of operation. Other discussion topics included are upcoming system enhancements. The agenda for the forum is still being developed and will be distributed with the confirmed schedule for the Learning Environment sessions.

In addition to the Open Forum, Nelnet will be offering Learning Environment sessions. These core classes were developed with the intention of assisting the lenders with Nelnet's products and processes. Anyone can attend, from clients needing a refresher, to their new employees needing an overview of Nelnet's loan servicing system. The Lender Academy structure is designed to benefit all clients who attend.

Nelnet thanks those who have responded to the company's Lender Academy survey. From those results, the following core classes may be available to attend:

Nservice Overview (Loan Servicing) - A high-level overview of the Remote Full Service Inquiry Screens. Participants will receive "hands on" training and learn how to navigate through the Inquiry Menu and related screens.

Ngenius Overview (Loan Generation) - An overview of Nelnet's Loan Generation process as seen from the lender's perspective. Participants will explore the life of a loan, from application to funding, as well as all of the change transactions that can and do take place.

Reports Training - A synopsis of the reporting package lenders receive in the Nservice environment. Participants will examine a wide range of reports and their functions.

Balancing Accounting Reports - This class is geared specifically toward the individuals in a client organization that balance the accounting reports.

Global Reconciliation - An in-depth look at the reconciliation process that Nelnet provides its lenders on a monthly basis. Participants will be provided an example of an actual reconciliation and the supporting reports.

Online Report Viewing - The "how to" of the online report viewing tool used in conjunction with Nservice.

nelnet.net - A high-level overview of the many functions available at our website.

CD Training and 4 Pack - A "hands-on" workshop for Nelnet's reports that appear on the month-end CDs. In addition, an overview of the information provided in the 4 Pack will be offered.



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Upcoming conferences

The following is a tentative schedule of upcoming state, regional, and national conferences:

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|-------------|---------------|------------------------|---------------------------------------|
| NACAC | October 2-4 | Long Beach, CA | Long Beach Conv. & Entertainment Ctr. |
| RMAFAA | October 5-8 | Big Sky, MT | Big Sky Resort |
| IASFAA | October 6-8 | Moscow, ID | N/A |
| TASFAA | October 6-10 | Wichita Falls, TX | N/A |
| LASFAA | October 8-10 | Shreveport, LA | N/A |
| MASFAA | October 12-15 | Milwaukee, WI | Milwaukee Hilton |
| VASFAA | October 12-15 | Richmond, VA | Richmond Marriot |
| NYSFAAA | October 14-17 | Saratoga, NY | Saratoga Springs Hotel |
| AASFAA | October 15-17 | Auburn, AL | Auburn University |
| GASFAA | October 16-17 | Lake Lanier Isle, GA | Renaissance Pine Isle |
| MASFAA | October 19-21 | Rockport, ME | Samoset Resort |
| TASFAA | October 19-21 | Franklin, TN | Cool Sprins Marriott |
| PASFAA | October 19-23 | S.E. of Pittsburgh, PA | Seven Springs Mountain Resort |
| SCASFAA | October 20-21 | Colombia, SC | Embass Suites |
| AASFAA (AR) | October 22-24 | Springdale, AR | Holiday Inn Hotel & Convention Center |
| AASFAA (AZ) | October 22-24 | Springdale, AZ | Holiday Inn Hotel & Convention Center |
| KASFAA | October 22-24 | Hutchinson, KS | Ramada Inn |
| OASFAA | October 22-24 | Oklahoma City, OK | Clarion Convention Center |
| WVFAA | October 22-24 | N/A | N/A |
| FASFAA | October 27-29 | Naples, FL | Naples Beach and Golf Club |

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