



a newsletter for schools

update

winter 2003

a renewed commitment

a message from David Bottegal

Executive Director

Nelnet Marketing Solutions, Inc.

A new year is upon us, bringing with it the promise of new beginnings. Many of us have made personal commitments to "begin anew" this year in any number of ways: improving our health, reconnecting with family or friends, pursuing a hobby or interest, or simply taking time for ourselves on a regular basis. Nelnet has also renewed its commitment...to you, our customers.

Our business is governed by a set of core values, one of which states, "Truth, honesty, integrity, and clear, open communication are fundamental to our success." The School newsletter is just one manifestation of our belief in this principle, and this first issue of 2003 marks a new beginning as well. In the past, content has included pertinent press releases, information on upcoming conferences, announcements regarding departmental changes of note, important contact information, and representative highlights. In 2003, Nelnet is expanding the format to include region specific information, creating a vehicle through which financial aid offices can stay abreast of happenings in other areas of the country. Additional features in development will be added throughout the course of the year.

Not only is this a time of change and new beginning for our newsletter, but it's also a time of change for Nelnet's sales and marketing team, now appropriately named Campus Solutions. This title highlights our target audience (the campuses), and defines our deliverable (solutions). Previously, each member of the Nelnet sales staff served schools as a reference for one particular area within the financial aid world. Under the new structure, each school across the country will have at its disposal a designated Campus Director from within Nelnet Campus Solutions. This individual will work closely with Business Partner Support and the Operations hotline to manage all aspects of the day-to-day contact with his or her schools, serving as an expert reference on Nelnet products and services, as well as the student lending industry as a whole. This new structure has been designed specifically to provide schools with a consistent, knowledgeable point of contact for all of their student finance needs.

At Nelnet, we continue to hold fast to our core values, the first of which being, "Customers are number one." Our conviction has never been stronger. Our commitment to you—and our core values—is renewed not merely once a year but every day, and not simply in word but through action, as we continually strive to bring you innovative products and services to simplify the financial aid process.

Sincerely,

David Bottegal

Executive Director, Nelnet Marketing Solutions, Inc.

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Nelnet scholarship program funds \$350,000 in 2002, continues to grow in 2003

Nelnet's vision of making educational dreams possible is not limited to the company's for-profit business activities. In 2002, some \$350,000 was donated to fund scholarships across the nation, supporting a variety of school-based needs and academic scholarship programs.

In January 2002, Nelnet enhanced its corporate citizenship by forming a Charitable Contributions Committee to support educational dreams through charitable giving and scholarships. The mission is to provide financial assistance for local and national programs that expand educational possibilities for students and adults.

Foremost, The Nelnet National Scholarship Program is expected to expand in 2003, providing financial assistance to a greater student audience. "2002 was the first year for the company's comprehensive scholarship activities after the mergers, acquisitions, and consolidations of the organizations that now compose Nelnet," stated David Bottegal, Executive Director of Nelnet Marketing Solutions, Inc. "We are very pleased with the initial results and look forward to building this foundation in the coming year."

Statistics indicate that education is a corporate priority. Records from the National Committee for Responsive Philanthropy (NCRP) show "nearly half of the surveyed corporate funding for 2000 (\$85.6 million) went for education." Beyond cash contributions, corporations create jobs and training for the unemployed, invest in decaying inner cities, provide loan expertise to local and state government, and donate materials and services.

On a national level, charitable organizations and scholarship recipients are selected by Nelnet, with education being the primary consideration in

"Nearly half of surveyed corporate funding for the year 2000 (\$85.6 million) went for education."

- National Committee For Responsive Philanthropy (NCRP)

donating money or various types of services. The Charitable Contributions Committee will schedule various times throughout the year to review current requests from organizations seeking donations. Additional details regarding Nelnet's 2003 scholarship program are currently being finalized and will be shared with the company's customers in the coming months.

MASFAA news

Nelnet welcomes all new customers in the MASFAA region previously serviced by EFS Services. The integration of the two systems was successfully completed with minimal impact to school customers in early December 2002. Nelnet brings a wealth of servicing experience to the Midwest, including our most sought after pipeline product—Nteract. Nteract allows general online account access, as well as data transmissions. Your Campus Solutions team is responsible for the communication between your institutions and Nelnet. If you have any questions, please direct your calls to your designated Campus Solutions team member or contact your Campus Director to request a complete demonstration of Nteract.

meet the Nelnet MASFAA Campus Solutions team!

Teffenie Davies

Regional Vice President, MASFAA Region
317.469.2037 (office) 317.445.2205 (mobile)

Curt Bolte

Nelnet Campus Solutions—Iowa
515.957.8800 (office) 515.249.0604 (mobile)

Raina Chezem

Nelnet Campus Solutions—Indiana
317.469.2172 (office) 317.440.8478 (mobile)

Jim Fischer

Nelnet Campus Solutions—Minnesota
605.229.85 (office) 605.380.5947 (mobile)

Celeste Lawson-Lindsey

Nelnet Campus Solutions—Indiana and Michigan
317.469.2029 (office) 317.919.2220 (mobile)

(continued on page 3)

John Pine

Nelnet Campus Solutions—Illinois
317.469.2056 (office) 317.331.6203 (mobile)

Fred Hasselback

Nelnet Campus Solutions—Direct Lending Consultants
517.625.5644 (office and mobile)

Jack Nelson

Nelnet Campus Solutions—Direct Lending Consultants
517.655.7807 (office) 517.403.8947 (mobile)

in other MASFAA news

Nelnet Campus Solutions recently announced an additional Nelnet lender in Minnesota. The new lender is **American Student Loan Network, lender code 824573**. Students using this Nelnet serviced lender code will be rewarded with competitive borrower benefits. For more information on the benefits being offered by American Student Loan Network, please contact Jim Fischer at 605.229.0082.

measuring the success of higher education

The Deputy Secretary of the Department of Education, Bill Hansen, at the Office of English Language Acquisition Conference in November 2002 said, "Accountability is about students, not processes or systems. In higher education, \$12 billion in Pell grants and \$45 billion in loans are driven to students, not schools."

Before pondering Hansen's comments, note that a key component of the policy direction came from both the Administration and the Hill during the last Congressional debate over whether elementary secondary education reauthorization was accountable. Accountability was and is characterized by the No Child Left Behind legislation, based on testing outcomes frequently used throughout the student's K-12 experience. While this is not a new concept for those who took the Iowa Basic Skills test nearly 45 years ago, it is new as a federal initiative rather than a state initiative.

That said, take a moment and consider Hansen's comment and assume that student loan issues will remain in the discussion wings. Also consider that some of those in leadership positions on the Hill have been frustrated over the challenges of defining how accountability should be applied at colleges

and universities. Some believe that colleges who keep costs down should be rewarded with special grants. Others have opined that accrediting bodies need to be beefed up. Keeping costs down, while important, addresses only part of the accountability issue and accrediting bodies evaluate what could be rather than what happened. But Hansen, as one of the primary spokespersons for the Department of Education seems to be suggesting something else.

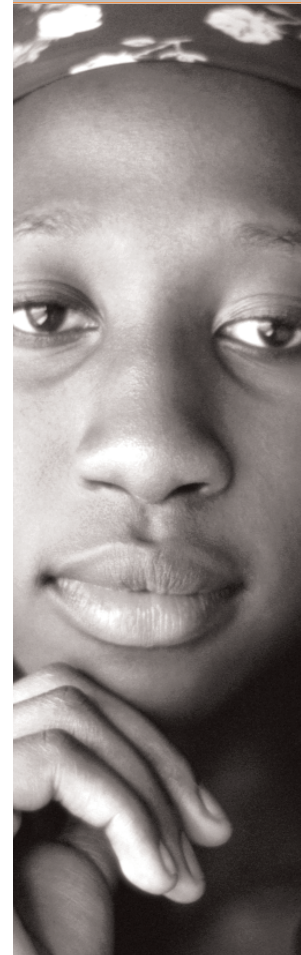
Hansen said that students are the focal point and federally sponsored Title IV programs are about funding students—not colleges. Do you suppose that he meant that accountability should be measured at the student level in much the same way that it is intended to be measured under the No Child Left Behind legislation by testing? Or do you suppose that he meant that outcomes of the higher education process should be evaluated in some other quantifiable manner? If so, should it be graduation placement in a related career, staying out of jail (just kidding—wouldn't want the Enron folks to bias the measurable success of higher education), or the old standby, default rates? Career colleges have already figured this out and seem to welcome the prospect of measuring outcomes and accountability. They often market their institutions by publicizing the success of their students.

Whether one graduates or is placed in a job that relates to their studies would seem to be measurable at the student level. Those measures might even be traceable through the transfer process that is apparently more common than could have been imagined. Ponder the systems that might be necessary to track individual students, as well as their curriculum changes. And when you received the data, how would you determine who was accountable for the success or failure of the process. Finally, how should institutions receive an incentive?

Clearly, there will be challenging debates as folks attempt to address the issue of measuring the success of higher education. Evaluating outcomes would seem to be the point from which to begin...but then it could get "messy."

Written by Paul Tone,

Government and Industry Relations, Washington, D.C.





Jennifer Drummond
Partner Support Officer

Nelnet Business Partner Support representative highlight

Jennifer Drummond works as a Partner Support Officer for Nelnet's Product Support team in Indiana and Illinois. Her role includes acting as the front line between Nelnet's school clients and Nelnet. This includes cultivating relationships, promoting Nelnet products, and providing product training. She and her team also support the product sales and product implementation teams, install products at client sites, conduct on-site client visits, and represent Nelnet at state, regional and national conferences, and industry related events.

Over the past year, EFS has been working to prepare for the conversion of EFS to Nelnet. A conversion committee comprised of both Nelnet and EFS staff was formed to review the products, services, and processes of EFS in comparison to Nelnet. A gap analysis was completed by the committee to identify any processing gaps and to determine how to convert EFS processes to the Nelnet processes.

"Our goal was to have a smooth transition to the Nelnet system with very little or no disruption to the school," stated Drummond. "Our conversion to the Nelnet system ran smoothly and was successful." Since the conversion, Nelnet has been following up with schools to ensure their disbursements and loan processes have continued to run efficiently.

In addition, there has been overwhelming interest from schools in Drummond's region in Nelnet's Web-based product, Nteract. According to Drummond, the Campus Directors have been busy talking with schools about Nteract and explaining the different functionality available.

"My job as the BPS representative is to assist the Campus Director in installing Nteract in the school. I am responsible for visiting the school to set up their PCs in preparation to begin using Nteract, training the school on using Nteract, and answering any Nteract questions they may have," stated Drummond. Nelnet also provides the school with on-going training as they begin using Nteract and for future enhancements.

As a member of the Business Partner Support team, Drummond says service is her priority. "During my years as an EFS employee, I have been able to develop many relationships with the schools. I am excited about the opportunity to further develop these relationships and provide various services in my new position as a BPS representative."

Jennifer Drummond is a graduate of Anderson University, where she received her B.A. in Psychology. She has been with Nelnet since 1995, where she started as an EFS employee and managed the Client Liaison group.

Drummond will help represent Nelnet at industry related events and at regional conferences. Please stop by and say hello to her at the Nelnet booth.

Nelnet enhances online Stafford MPN

Effective February 1, 2003, Nelnet's school-initiated Stafford MPN goes online! This open lender process gives schools the opportunity to certify applications for any lender prior to their students electronically signing their Stafford MPN. E-mails may be sent directly to students informing them of their online certified application. If no e-mail is available, letters will be sent via mail. Schools may customize the content of the e-mail or letter, choose from entrance/exit counseling instructions, and receive directions on where to find and complete the online application through the lender or school Web site. Schools also have the option of directing their students directly to www.nelnet.net to complete the application. Students have the option to e-sign or wet-sign their P-note. Follow-up letters are sent to borrowers who do not return an application in a timely manner. If the school desires, a pre-printed application is included in the mailing. Contact your Business Partner Support representative or school hotline for additional information.

EASFAA news

The Nelnet Campus Solutions staff in EASFAA is growing—so let's take a look at who's on board.

Robin Jenkins

Regional Vice President—EASFAA, SASFAA, and MASFAA

Tami Gilbeaux

Vice President and EASFAA Regional Director

Mark Goldstein

Vice President—New York

Jeffrey Sampson

Vice President—New York

Kimber Decker

Vice President—New Jersey and Connecticut

Ellen Scontras

Vice President—Maine

Allison Travers

Campus Director—Maine and EASFAA

Tom Patterson

Vice President—Massachusetts and New York

Susan Sullivan

Vice President—Massachusetts

Karen Hanna

Vice President—Pennsylvania

Nelnet contact information

denver

school hotline 800.375.7013
borrower inquiries 888.486.4722
fax 877.290.4584

hawaii

school hotline 877.557.1423
fax 808.525.7591

indianapolis

school hotline 800.634.2533
fax 800.469.2262

iowa

school hotline 800.755.7858
fax 515.957.8821

jacksonville

school hotline 800.524.2502
borrower inquiries 800.228.5931
fax 904.281.7004

lincoln

school hotline 800.755.7858
fax 888.274.9876

tulsa

school hotline 800.788.1881
fax 800.588.8640

Our processing centers are growing along with our staff. Please note where your loans are being processed and where to call for assistance.

New York, New Jersey, Rhode Island, Delaware

3015 S. Parker Road, Suite 400
Aurora, CO 80014

800.375.7013 School Hotline
877.290.4584 Fax

Pennsylvania

P.O. Box 2307
Indianapolis, IN 46207

800.634.2533 School Hotline
800.469.2262 Fax

Connecticut and Washington, DC

6420 Southpoint Parkway
Jacksonville, FL 32216

800.524.2502 School Hotline
904.281.7004 Fax

Maine, New Hampshire, Vermont, Massachusetts

One City Center, Suite 1170
Portland, ME 04101

800.922.6352 School Hotline
207.791.3616 Fax

The financial aid and high school nights are upon us and Nelnet has the support you need to make your presentation a success. Please utilize our expert staff to plan and conduct your workshops. You may also use our Web site, www.nelnet.net to access our FAFSA tutorials, financial calculators, college planning guides and more. Contact us and we will tailor a presentation just for you.

private loan inquiries

school hotline 866.551.8070
private loan fax 866.551.8059
customer service 888.964.2890

payment mailing address

Nelnet
P.O. Box 2970, Omaha, NE 68103-2970

FFELP loan inquiries address

Nelnet
Attn.: Loan Origination
P.O. Box 82596, Lincoln, NE 68501-2596

Private loan inquiries

Nelnet
Attn.: Private Loan Department
P.O. Box 82523, Lincoln, NE 68501-2523

borrower inquiries on the Web

www.nelnet.net

@theU

www.attheu.com





Loan Generation Servicing completes Ngenius conversion, opens new office

The year 2003 is shaping up to be a good one for Nelnet's Loan Generation Servicing group. Mark Johnson, Operations Manager, leads a team of 19 people who recently completed the conversion of the Indianapolis office to the Ngenius servicing system. "We intend to continue providing schools with the quality origination services they have come to expect. In addition, schools will benefit by having all Nelnet offices utilizing the same operating system nationwide," stated Johnson. States that are serviced by Nelnet's Indianapolis office are Indiana, Illinois, Ohio, Kentucky, and Pennsylvania.

With the opening of Nelnet's Loan Generation office in Portland, Maine, services will be

broadened to include schools in the states of Maine, Vermont, New Hampshire, and Massachusetts. Nelnet hopes to have this office operational by March 31 of this year.

The cooperation received from the school community during several conversions this year to the Ngenius system is appreciated by the Loan Generation Servicing group.

"It is our desire to meet the needs of our schools across the entire United States. We strongly believe that individual attention can be obtained and applied by having these offices work in regions they had previously serviced," stated Johnson. This will allow schools the opportunity to continue their success and build upon their relationship with Nelnet.

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3015 South Parker Road, Suite 400
Aurora, CO 80014-2906
p 303.696.3699
www.nelnet.net