

## Introducing Lender Product Support

I am excited to provide you with information regarding Nelnet's Client Relations Department. As we continue Nelnet's commitment to high quality service, a decision was made to restructure the department and philosophy. The impetus of the restructure is to create 100% ownership and meet lender expectations. Although the individual's in the newly restructured department remain the same, Client Relations as a department no longer exists. With this in mind, please welcome the Lender Product Support (LPS) Department.

Effective immediately, Lender Product Support is a new corporate area within Nelnet that currently has staff in Denver, St. Paul, Jacksonville, and Indianapolis. A highlight of the restructure is that all lenders will have an assigned Lender Product Support Officer (LPS Officer). The assigned officer will be the main point of contact for all issues and concerns of the lender. Each LPS Officer was involved with creating the department goals and structure. As you will see by our new Mission Statement and Core Values, the focus is on Nelnet's lender community.

This is an exciting time for Lender Product Support and I would like to share the department's Mission Statement, Core Values, and staff.

### Mission Statement:

Lender Product Support exists to ensure the high quality delivery of Nelnet's products and services to lender clients by providing solutions that meet or exceed expectations.

### Core Values:

- Customers are number one.
- Trust, honesty, integrity, and open communication are fundamental to our success.
- Lender Product Support is committed to the mutual success of Nelnet and our lender clients.

### Lender Product Support Department:

Neil McConnell - Director of LPS  
Sara Hansen - Administrative Assistant  
Charlotte Shanley - LPS Officer, Denver  
Dawn Knight - LPS Officer, Denver  
Deb Moon - LPS Officer, Denver  
Patty Peters - LPS Officer, St. Paul  
Shelley Dockter - LPS Officer, Denver  
Sue Frerich - LPS Officer, Denver  
Suzanne Gaither - LPS Officer, Indianapolis  
Tim Puckett - LPS Officer, Indianapolis  
Yvonne Secure - LPS Officer, Jacksonville

The communication to the lender community was initiated and completed mid-September. Each lender was notified about the new Lender Product Support Department as well as the Mission Statement, Core Values, and structure. The communication also included information about the assigned LPS Officer.

Lender Product Support looks forward to the challenges ahead and welcomes any feedback or questions you may have.

Additional information is available at [www.nelnet.net](http://www.nelnet.net).



dream learn grow



a newsletter for our clients

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### Nelnet names leadership for new Campus Solutions division

Nelnet (National Education Loan Network) announced the appointment of the leadership team to head its new Campus Solutions business division. The Nelnet Campus Solutions team assists the company's school and brand partners in identifying and implementing effective, needs-based loan origination and delivery products. Over 50 Campus Solutions representatives work nationally to inform and educate customers regarding Nelnet's school-focused products and technology.

David Bottegal, Executive Vice President in charge of marketing and sales, and Scott Spethman, Senior Vice President, will head the division's operations. Robin Jenkins and Alina Laikola will serve as Regional Vice Presidents. Jenkins will manage the company's eastern region; Laikola will oversee the western U.S.

"Our Campus Solutions division was formed to continually serve as a solutions provider for our customers," commented Don Bouc, President of Nelnet Corporation and the company's chief spokesperson. "We believe that today more than ever it is critical to provide schools and students with cost-effective, user-friendly products and services focused on an 'open-system' platform. With extensive backgrounds in education finance, these individuals are the ideal candidates to head this effort."

Robin Jenkins brings 25 years of postsecondary education experience to her position, specifically in the areas of administrative process design and student financing. She has served as the Vice President and

Treasurer of the National Association of Student Financial Aid Administrators (NASFAA) and received that organization's distinguished service award. Jenkins most recently headed the higher education industry group at Jackson Securities.

In addition to her most recent position as Nelnet's Director of Product Sales, Alina Laikola has held several management positions focused on student loan operations and customer relations over the last 15 years. They include Manager of Loan Origination, Manager of School Relations, Manager of Internet Development, and Project Manager for the company's Loan Generation conversion. Laikola has led Nelnet product launch programs and has been active in industry initiatives, participating on the Texas Guaranteed Student Loan EFT Task Force and the Common Origination and Disbursement Committee.

Nelnet offices are located in Albany, NY; Boise, ID; Denver, CO; Indianapolis, IN; Jacksonville, FL; Lincoln, NE; Phoenix, AZ; Portland, ME; St. Paul, MN; Tulsa, OK; and Washington, DC. Nelnet originates in excess of \$2 billion for itself and its service partners annually, owns over \$8 billion, and services, or provides servicing software for, more than \$36.5 billion in student loans.

Additional information is available at [www.nelnet.net](http://www.nelnet.net).



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### Nelnet's Business Partner Support team grows

Nelnet recently added three new Business Partner Support Officers to its team - Jennifer Drummond, Jodi Long, and Betsy Spencer.

Jennifer Drummond will serve as the Officer for Indiana and Illinois. Jennifer currently holds the position of Manager, Client Relations for Nelnet/EFS in Indianapolis. She will begin to transition to her new role with Business Partner Support in mid-October.

Jennifer began her career with EFS in 1995 in Client Relations and brings demonstrated skills in providing customer service and support to schools and lenders in the regions serviced by Nelnet/EFS to her new position.

Jennifer holds a Bachelor of Arts from Anderson University, Anderson, IN. She is a member of the Illinois Association of Student Financial Aid Administrators, the Indiana Student Financial Aid Association, the Michigan Student Financial Aid Association, and the Midwest association of Student Financial Aid Administrators.

Jodi Long will serve as a Business Partner Support Officer for California and Hawaii. Jodi joins Nelnet with a strong background in financial aid from Full Sail Real World Education in Winter Park, FL, and has been a Nelnet product user for the past three years. During her tenure in the financial aid office, she was steadily promoted from her starting position of Financial Aid Advisor, to Financial Aid Administrator, to her most recent position of Financial Aid Advisor Manager in which she was responsible for a staff of 16 employees.

Jodi possesses a thorough knowledge of the financial aid process and has a demonstrated record of exceptional customer service. Her knowledge and experience with Nelnet pipeline products will be a valuable asset in her new position.

Jodi is a graduate of Virginia Polytechnic Institute & State University (Virginia Tech) and holds a Bachelor of Science degree in Sociology.

Betsy Spencer will serve as an Officer for Virginia, West Virginia, North Carolina, and South Carolina. Betsy joins Nelnet with a solid business background that includes marketing, accounting, and financial services. Formerly employed as an Account Executive with EFG Technologies as well as a Marketing Representative with GBA Systems, she brings to her position demonstrated skills in both product technology and account support and development.

Betsy's experience with EFG Technologies included the marketing and support of student loan services for the Perkins Loan Program to financial aid offices nationwide. Her experience with GBA Systems included the marketing and support of accounting software for a ten state territory.

Betsy is a graduate of Salem College and holds a Bachelor of Science degree in Business Administration with a concentration in accounting. She has also completed a Certification in Loan Review from the American Institute of Banking.



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### Volume of student borrowers consolidating educational loans reaching record proportions

Newly announced low interest rates and the lure of monthly savings have borrowers lining up to consolidate student loans. And the line is expected to get longer, considering approximately half of the nation's post-secondary enrollment have, or are currently paying down, student loan debt.

According to the Department of Education's National Postsecondary Student Aid Study (NPSAS), the rate of growth in student loan debt has risen four times faster than personal income over the past eight years. In 1999-2000, 64% of students borrowed under federal student loan programs, compared to 42% in 1992-1993. The resulting outstanding debt in the year 2000 for the average student borrower attending public school was \$15,375 and \$17,250 for those attending private schools.

With the July 1, 2002 announcement of lower education loan interest rates, borrowers can lower monthly payments and lock in record low interest rates for the life of the loan. Students may qualify for rates as low as 3.50% for Stafford loans in grace and 4.125% for Stafford loans in repayment.

By consolidating at a current fixed interest rate of 4.125%, versus the capped rate of 8.25%, a borrower with \$20,000 in outstanding student loan debt could save approximately \$5,000 in interest over the standard 10-year repayment plan.

Nelnet reports a surge in consolidation volume since July. "With the announcement of the lowest student loan interest rates in FFELP (Federal Family Educational Loan Program) history, our company has seen a dramatic increase in consolidations over the last two months," commented Don Bouc, President of Nelnet Corporation and the company's chief spokesperson.

Borrowers may take advantage of the new consolidation rate at any time throughout the year, although the savings is not retroactive. However, a borrower may only consolidate once, after which they forfeit any opportunity to lock in possible future rate decreases. Nelnet provides free assistance in calculating monthly savings, individual interest rates, and choosing repayment plans.

### Parents cash in on student loan interest rate drop

With interest rates on student loans at record lows, another group of borrowers also stands to gain monthly cash savings from the new rate decrease, mom and dad. Consolidation rates for PLUS loans are as low as 4.875% for loans originated on or after July 1, 1998, a 2% decrease from last year.

According to Department of Education statistics, the average PLUS loan exceeds \$7,500, meaning parents with students attending a four-year institution could potentially face a total debt of \$30,000. By locking in the new interest rate and taking advantage of the extended repayment period available on consolidation loans, parents with similar loan amounts could cut their monthly payment by as much as \$150.

"The cost of education doesn't have to be a tremendous financial burden on parents," commented Don Bouc. "Take a student loan savings of \$100 per month," Bouc continued. "If that \$100 was applied toward a five-year auto loan at 8.5%, a \$15,000 balance would be reduced by 17 payments. Credit cards are another good example. An additional \$100 in monthly credit card payments would pay off a \$5,000 balance at 17% over four years faster than a minimum payment of \$100."

Nelnet competes with several national loan consolidators and offers students and parents an additional rate cut of 1.25%. Borrowers who choose auto-debit payments receive a .25% rate reduction and another 1% after 60 initial on-time regular payments.

Borrowers are encouraged to evaluate their consolidation savings now to realize the maximum monthly savings available. Nelnet provides free assistance in calculating loan balances with the new interest rate and extended repayment terms and they may be reached 866.485.3366 or online at [www.nelnet.net/flexloan](http://www.nelnet.net/flexloan).



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### Paul Tone serves on NCHelp Board

Nelnet is pleased to announce that Paul Tone, Senior Vice President Government Relations, has earned a seat on the NCHelp Board of Directors, and serves as a lender liaison for the upcoming year. Paul was nominated for the position by the Consumer Bankers Association (CBA) and was ultimately selected to sit on the Board. In this position, Paul will share lender views as NCHelp considers student loan policy.

Based in Washington, DC, the National Council of Higher Education Loan Programs, Inc. (NCHelp)

represents a nationwide network of guaranty agencies, secondary markets, lenders, loan servicers, collectors, schools, and other organizations involved in the administration of the Federal Family Education Loan Program (FFELP).

Paul is not new to service at NCHelp, previously sitting on both the Operations and Regulations Committees. We thank Paul for his past service to this valuable industry organization and wish him much success.

### Nelnet contact information

#### denver

school hotline 800.375.7013  
borrower inquiries 888.486.4722  
fax 877.290.4584

#### 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

#### 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](http://www.nelnet.net)

#### @theU

[www.attheu.com](http://www.attheu.com)