Nelnet reaches agreement to acquire Maine Loan Company

LINCOLN, NE - The National Education Loan Network (Nelnet) announced today that it has reached a definitive agreement with Maine Education Loan Marketing Corporation (MELMAC) to acquire the stock of MELMAC, Inc., a subsidiary of MELMAC. The addition of MELMAC, Inc. enhances Nelnet's competitive position in the Northeast. Nelnet is among the top three education loan organizations nationally. Under the terms of the agreement, MELMAC, Inc. will continue to operate from its headquarters in Portland, Maine.

"MELMAC, Inc. is a great addition to Nelnet's existing group of companies. They are pioneers in bringing innovative products and programs to the education finance industry," said Don Bouc, President & CEO of Nelnet. "It's another step forward for Nelnet in our goal of bringing together industry leaders to offer the best products and services to students and schools," added Bouc.

On June 30, 2000, MELMAC, in accordance with Internal Revenue Code, elected to transfer its assets and liabilities to a newly created for-profit company, MELMAC, Inc. in exchange for stock. Prior to the election, MELMAC was a non-profit organization, issuing tax-exempt bonds in Maine. The proceeds of the bonds were used to make loans available to students pursuing post-secondary education. Following the conversion, MELMAC will become an education-related charitable foundation.

Wendy Ault, MELMAC President, commented, "This is a great day for Maine. The agreement with NELnet provides the assurance that our charitable foundation will be fully funded. We will be able to support a wide array of educational endeavors for the citizens of Maine from the outset."

Nelnet began its operations in 1998 with the acquisition of NEBHELP, Inc., the Nebraska student loan secondary market. ASAP/UBT, the origination division of Union Bank & Trust Company, headquartered in Lincoln, originates loans for Nelnet. In March of this year, Colorado-based student loan servicer, UNIPAC Service Corporation, became a member of Nelnet. In June, education financial service company, InTuition Holdings, Inc., Jacksonville, Florida, joined Nelnet's growing network of companies.

Nelnet is a privately held corporation based in Lincoln, Nebraska. Nelnet is composed of independent companies that market, originate, fund and service student loans. Nelnet supplies the framework that connects the components of education lending (lenders, service centers, secondary markets, financial aid officers, guarantors, students, and parents) to streamline the educational finance process. Please visit www.nelnet.net for more information on Nelnet.