



Nelnet and Banknorth Partner to Offer Federal Student Loan Program

(LINCOLN, NE) — Today, Nelnet (National Education Loan Network) and Banknorth, N.A. announced an agreement to provide educational finance services to students in New England and upstate New York. Under the terms of the agreement, Banknorth will offer a line of student loan products for college students and their parents. In turn, Nelnet will supply loan origination, servicing, marketing, and administrative support for the student loan program.

On January 1, 2002, Banknorth began offering Stafford Loans and Parent Loans for Undergraduate Students (PLUS) under the Federal Family Educational Loan Program (FFELP). The Banknorth Stafford and PLUS loans enable borrowers to earn a one percent interest rate discount after 24 consecutive on-time payments, and an additional one percent discount after their next 24 consecutive on-time payments.

"Partnering with Nelnet allows Banknorth to include top-of-the-line educational services with our core banking and finance business," said William J. Ryan, Chairman, President, and Chief Executive Officer of Banknorth. "As one of the nation's leading student loan organizations, Nelnet offers the quality service we demand for our borrowers."

Banknorth divisions participating in the agreement include: Banknorth Connecticut, Banknorth Massachusetts, Banknorth Vermont, Evergreen Bank, and Peoples Heritage Bank.

Don Bouc, President of Nelnet, commented on the company's decision to partner in New England. "The decision to work with the region's number one community banking company was an easy one. By combining our knowledge of student loans with Banknorth's reputation, we have the opportunity to become the premier student loan provider in New England."

Banknorth Group, Inc., with headquarters in Portland, ME, is one of the country's largest commercial banking companies, with over \$21.1 billion in assets. Banknorth Group's banking subsidiary, Banknorth, N.A., operates more than 300 branch locations and 475 automated teller machines in Connecticut, Maine, Massachusetts, New Hampshire, New York, and Vermont.

Nelnet is a fully integrated educational finance organization offering expertise in student loan generation and servicing, secondary market services, and guarantor servicing support. The company maintains offices in Boise, ID; Denver, CO; Indianapolis, IN; Jacksonville, FL; Lincoln, NE; Phoenix, AZ; Portland, ME; St. Paul, MN; Tulsa, OK; and Washington, DC. With \$8 billion in total assets, Nelnet originates \$2 billion in student loans, holds over \$7.5 billion, and services, or provides servicing software for, \$25 billion in student loans annually. Nelnet ranks among the nation's leaders in terms of total student loan assets managed.