



Nelnet Receives Draft Report Related to Audit

LINCOLN, Neb., Aug 10, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Nelnet (NYSE: NNI) announced today it received a draft audit report from the Office of Inspector General of the Department of Education (OIG) related to the OIG audit of Nelnet's portfolio of student loans receiving 9.5% special allowance payments.

The draft audit report raises issues of a technical nature concerning the company's qualification for the special allowance payments and recommends Nelnet be required to return what the OIG contends to be overpayments in connection with certain loans receiving a 9.5% special allowance payment and exclude such loans from future requests for such payment.

Nelnet disagrees with the OIG's draft findings and recommendations and will comment accordingly on the draft report before any final report is issued.

The Department of Education may accept or reject any findings or recommendations contained in any final report issued by the OIG. Nelnet believes it has qualified and billed for the special allowance payments in accordance with applicable laws, regulations, and Department of Education guidance; however, the company cannot predict the final outcome of this matter.

Nelnet is one of the leading education finance companies in the United States and is focused on providing quality products and services to students and schools nationwide. Nelnet ranks among the nation's leaders in terms of total net student loan assets with \$22.4 billion as of June 30, 2006. Headquartered in Lincoln, Nebraska, Nelnet originates, consolidates, securitizes, holds, and services student loans, principally loans originated under the Federal Family Education Loan Program of the U.S. Department of Education.

Additional information is available at www.nelnet.net.

Information contained in this press release, other than historical information, may be considered forward-looking in nature and is subject to various risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or expected. Among the key factors that may have a direct bearing on Nelnet's operating results, performance, or financial condition expressed or implied by the forward-looking statements are the pending nature of the audit and the preliminary nature of the audit developments discussed in this press release, changes in terms of student loans and the educational credit marketplace, changes in the demand for educational financing or in financing preferences of educational institutions, students and their families, or changes in the general interest rate environment and in the securitization markets for education loans.

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SOURCE Nelnet

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