$707,900,000
Student Loan Asset-Backed Notes
Nelnet Student Loan Trust 2025-1
Issuing Entity

Nelnet Student Loan Funding III, LLC
Depositor

National Education Loan Network, Inc.
Master Servicer and Administrator

We are offering the following classes of notes:

Class	Original Principal Amount	Interest Rate	Final Maturity Date	Price to Public
Class A-1 notes	$168,200,000	SOFR Rate plus 0.75%(2)	October 25, 2033	100.00000%
Class A-2 notes	$525,000,000	SOFR Rate plus 0.95%(2)	November 27, 2090	100.00000%
Class B notes(1)	$14,700,000	SOFR Rate plus 1.00%(2)	November 27, 2090	N/A

(1)All of the class B notes will be acquired by an affiliate of the issuing entity.

(2) The class A-1 notes, the class A-2 notes and the class B notes will accrue interest at a floating rate based on a benchmark, which initially will be the "SOFR Rate," plus an interest rate margin. The method for determining the benchmark and the circumstances under which the benchmark may change appear under "DESCRIPTION OF THE NOTES—Interest Payments" in this Offering Memorandum.

The notes are obligations of the issuing entity only and are secured primarily by a pool of student loans originated under the Federal Family Education Loan Program. Credit enhancement for the notes will include overcollateralization, cash on deposit in a reserve fund, for the class A-1 notes, the sequential payment of principal on the class A-1 notes before the class A-2 notes and, for the class A notes, the subordination of the class B notes, as described in this Offering Memorandum. The notes are not obligations of the sponsor, the depositor, the administrator or any of their affiliates, other than the issuing entity.

The notes will receive monthly distributions of interest and principal on the 25th day of each month as described in this Offering Memorandum, or if such day is not a business day, the next business day, beginning January 26, 2026.

The notes offered hereby have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or territory in the United States and, unless registered or qualified, may not be offered or sold except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. The notes are being offered in the United States to certain qualified institutional buyers (as defined in Rule 144A) in reliance on an exemption from the registration requirements of the Securities Act provided by Rule 144A, and outside the United States in offshore transactions in reliance on the safe harbor provided by Regulation S under the Securities Act.

You should consider carefully the information under the caption "RISK FACTORS" in this Offering Memorandum. It is a condition to the issuance of the notes that they be rated as set out in the caption "SUMMARY OF TERMS—Rating of the Notes" in this Offering Memorandum.

The issuing entity is not registered or required to be registered as an "investment company" under the Investment Company Act of 1940, as amended, pursuant to Section 3(c)(5) thereof, although there may be additional exclusions or exemptions available to the issuing entity, and does not constitute a "covered fund" for purposes of the Volcker Rule under the Dodd-Frank Act.

The notes have not been registered with, or approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

We are offering the notes through the initial purchasers, when and if issued. The notes will be delivered in book-entry form on or about November 13, 2025.

Lead Managers

BofA Securities, Inc. **RBC Capital Markets**

Co-Managers

BMO Capital Markets **Northland Securities, Inc.** **Regions Securities LLC**

US Bancorp **Wells Fargo Securities**

This Offering Memorandum is dated November 7, 2025.

This Offering Memorandum does not constitute an offer of, or an invitation by or on behalf of the trust or the initial purchasers to subscribe for or purchase, any of the notes in any circumstances or in any state or other jurisdiction where such offer or invitation is unlawful. No action has been taken or will be taken to register or qualify the notes or otherwise to permit a public offering of the notes in any jurisdiction where actions for that purpose would be required. The distribution of this Offering Memorandum and the offering of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the trust and the initial purchasers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the notes and distribution of this Offering Memorandum, see the caption "NOTICE TO INVESTORS" herein.

This Offering Memorandum has been prepared by us solely for use in connection with the proposed offering of the notes described herein. This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or the public generally to subscribe for or otherwise acquire the notes. Any distribution of this Offering Memorandum in whole or in part to any person other than the offeree or such offeree's advisers is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and to make no photocopies of this Offering Memorandum or any documents referred to herein.

No person has been authorized to give any information or to make any representations other than those contained in this Offering Memorandum. If given or made, such information or representations must not be relied upon as having been authorized by us or the initial purchasers. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has not been any change in the facts set forth in this Offering Memorandum or in the affairs of any party described herein since the date hereof.

In making an investment decision, prospective investors must rely on their own independent investigation of the terms of the offering and weigh the merits and the risks involved with ownership of the notes. We will furnish any additional information (to the extent we have such information or can acquire such information without unreasonable effort or expense and to the extent we may lawfully do so under the Securities Act or applicable local laws or regulations) necessary to verify the information furnished in this Offering Memorandum. Representatives of the trust, the sponsor, the administrator and the initial purchasers will be available to answer questions from investors interested in purchasing notes concerning the notes, the trust and the student loans.

Prospective investors are not to construe the contents of this Offering Memorandum or any prior or subsequent communications from the trust, the administrator, the sponsor or the initial purchasers, or any of their officers, employees or agents as investment, legal, accounting, regulatory or tax advice. Prior to any investment in the notes, a prospective investor should consult with its own advisors to determine the appropriateness and consequences of such an investment in relation to that investor's specific circumstances.

The notes have not been and will not be registered under the Securities Act or under the securities laws of any state ("Blue Sky" laws). Unless registered under the Securities Act, the notes may not be offered or sold within the United States of America or to, or for the benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in full compliance with any applicable Blue Sky laws. Accordingly, the notes are being offered and sold by the initial purchasers (1) in the United States to "qualified institutional buyers" in transactions exempt from the registration requirements of the Securities Act; and (2) to certain persons outside the United States in reliance on Regulation S under the Securities Act. Each purchaser in the United States is hereby notified that the offer and sale of the notes to it may be made in reliance on the exemptions from the registration requirements of the Securities Act provided by Rule 144A. None of the trust, the administrator, the sponsor, the initial purchasers nor any of its or their affiliates make any undertaking to register the notes under any state or federal securities laws on any future date. The resale, transfer or pledge of the notes is further restricted as described under the caption "NOTICE TO INVESTORS" herein.

The transaction described herein is not intended to comply with the EU Securitization Regulation or the UK Securitization Framework (each as defined in and more fully described under the caption "RISK FACTORS—EU Securitization Regulations and UK Securitization Framework may affect the liquidity of the notes and the notes may not be suitable for investment by certain European Economic Area Regulated Investors and affiliates" herein) and no party to the transaction described herein has committed to (i) retain a net economic interest in the transaction in order to comply with such regulations and/or (ii) comply with the reporting, credit granting, due diligence, transparency or any other requirements prescribed under such regulations.

Each initial and subsequent purchaser of the notes will be deemed by its acceptance of such notes to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of the notes as described in this Offering Memorandum and, in connection therewith, may be required to provide confirmation of its compliance with such resale and other transfer restrictions in certain cases. The notes will bear a legend referring to such restrictions and investors must be prepared to bear the risks of their acquisition of the notes for an indefinite period of time. See the caption "NOTICE TO INVESTORS" herein.

The initial purchasers make no representations or warranties as to the accuracy or completeness of the information described in this Offering Memorandum, and nothing herein shall be deemed to constitute such a representation or warranty by the initial purchasers nor a promise or representation as to our future performance or the future performance of the student loans or the notes.

The notes are being offered subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to the approval of certain legal matters by counsel and certain other conditions. No notes may be sold without delivery of this Offering Memorandum.

In connection with the offering, the initial purchasers may over allot or effect transactions with a view to supporting the market price of the notes at levels above that which might otherwise prevail in the open market for a limited period. However, there is no obligation to do this. Such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

THE TRUST EXPECTS THAT DELIVERY OF THE NOTES WILL BE MADE TO INVESTORS MORE THAN ONE BUSINESS DAY AFTER THE EXPECTED PRICING DATE. PURSUANT TO RULE 15C6-1 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, TRADES IN THE SECONDARY MARKET ARE GENERALLY REQUIRED TO SETTLE IN ONE BUSINESS DAY, UNLESS THE PARTIES TO ANY SUCH TRADE EXPRESSLY AGREE OTHERWISE. ACCORDINGLY, PURCHASERS WHO WISH TO TRADE NOTES PRIOR TO THE FIRST BUSINESS DAY PRECEDING THE SETTLEMENT DATE WILL BE REQUIRED, BY VIRTUE OF THE FACT THAT THE NOTES ARE EXPECTED TO INITIALLY SETTLE MORE THAN ONE BUSINESS DAY AFTER THE PRICING DATE, TO SPECIFY AN ALTERNATE SETTLEMENT ARRANGEMENT AT THE TIME OF ANY SUCH TRADE TO PREVENT A FAILED SETTLEMENT. PURCHASERS OF THE NOTES WHO WISH TO TRADE THE NOTES PRIOR TO THE FIRST BUSINESS DAY PRECEDING THE SETTLEMENT DATE SHOULD CONSULT THEIR ADVISORS.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

THIS OFFERING MEMORANDUM IS NOT A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF THE DOMESTIC LAW OF THE UNITED KINGDOM (THE "UK") BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED, THE "EUWA") (AS AMENDED, THE "UK PROSPECTUS REGULATION").

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK. FOR THESE PURPOSES, A "UK RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2 OF COMMISSION DELEGATED REGULATION (EU) 2017/565 AS IT FORMS PART OF THE DOMESTIC LAW

OF THE UK BY VIRTUE OF THE EUWA, AND AS AMENDED; OR (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, THE "FSMA") AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97 (SUCH RULES OR REGULATIONS, AS AMENDED), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF THE DOMESTIC LAW OF THE UK BY VIRTUE OF THE EUWA, AND AS AMENDED; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF THE UK PROSPECTUS REGULATION.

CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS IT FORMS PART OF THE DOMESTIC LAW OF THE UK BY VIRTUE OF THE EUWA (AS AMENDED, THE "UK PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO UK RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

IN THE UK, THIS OFFERING MEMORANDUM MAY ONLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED TO PERSONS WHO: (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND QUALIFY AS INVESTMENT PROFESSIONALS UNDER ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED, THE "ORDER"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.) OF THE ORDER; OR (III) ARE PERSONS TO WHOM THIS OFFERING MEMORANDUM MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS, "RELEVANT PERSONS"). IN THE UK, A PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFERING MEMORANDUM OR ANY OF ITS CONTENTS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES, INCLUDING THE NOTES, IS AVAILABLE IN THE UK ONLY TO RELEVANT PERSONS AND WILL, IN THE UK, BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

NOTICE TO RESIDENTS OF THE EUROPEAN ECONOMIC AREA

THIS OFFERING MEMORANDUM IS NOT A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129 (AS AMENDED, THE "EU PROSPECTUS REGULATION").

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY EU RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (THE "EEA"). FOR THESE PURPOSES, AN "EU RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF THE EU PROSPECTUS REGULATION.

CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE "EU PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO EU RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY EU RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE EU PRIIPS REGULATION.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with the sale of the notes, the trust will be required, for so long as any note is a "restricted security" within the meaning of Rule 144(a)(3) under the Securities Act, to provide, upon request of a holder of a note, to such holder and a prospective purchaser designated by such holder, the information which is required to be delivered under Rule 144A(d)(4) under the Securities Act, if at the time of the request the trust is not a reporting company under Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended.

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SUMMARY OF TERMS

The following summary is a very general overview of the terms of the notes and does not contain all of the information that you need to consider in making your investment decision.

Before deciding to purchase the notes, you should consider the more detailed information appearing elsewhere in this Offering Memorandum. We may not sell the notes until an Offering Memorandum for the notes is delivered in final form.

The words "we," "us," "our" and similar terms, as well as references to the "issuing entity" and the "trust" refer to Nelnet Student Loan Trust 2025-1. This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. See the caption "SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS" herein.

Principal Parties and Dates

Issuing Entity

- Nelnet Student Loan Trust 2025-1

Sponsor

- Nelnet, Inc.

Depositor

- Nelnet Student Loan Funding III, LLC

Master Servicer and Administrator

- National Education Loan Network, Inc.

Subservicer

- Nelnet Servicing, LLC, d/b/a Firstmark Services and Sloan Servicing

Eligible Lender Trustee and Indenture Trustee

- U.S. Bank National Association

Delaware Trustee

- U.S. Bank Trust National Association

Initial Purchasers

- BofA Securities, Inc.
- RBC Capital Markets, LLC
- BMO Capital Markets
- Northland Securities, Inc.
- Regions Securities LLC
- U.S. Bancorp Investments, Inc.
- Wells Fargo Securities, LLC

Distribution Dates

Distribution dates for the notes will be the 25th day of each month. However, if any monthly distribution date is not a business day, the monthly distribution will be made on the next business day. The first monthly distribution date will be January 26, 2026. We sometimes refer to these dates as "monthly distribution dates." The calculation date for each monthly distribution date generally will be the second business day before such monthly distribution date.

Collection Periods

The collection periods will be the full calendar month preceding each monthly distribution date. However, the initial collection period will begin on the cut-off date and end on December 31, 2025.

Interest Accrual Periods

The initial interest accrual period for the notes begins on the closing date and ends on

January 25, 2026. For all other monthly distribution dates, the interest accrual period will begin on the prior monthly distribution date and end on the day before such monthly distribution date.

Cut-off Dates

The cut-off date for the student loan portfolio the trust will acquire on the closing date is November 6, 2025. For student loans acquired after the closing date, the cut-off date will be the date such student loans are transferred to the trust estate.

The information presented in this Offering Memorandum relating to the student loans we expect to purchase on the closing date is as of September 30, 2025, which we refer to as the statistical cut-off date. We and the depositor believe that the information set forth in this Offering Memorandum with respect to the student loans as of the statistical cut-off date is representative of the characteristics of the student loans as they will exist on the closing date for the notes, although certain characteristics on any student loans acquired after the statistical cut-off date may vary.

Closing Date

The closing date for this offering is expected to be on or about November 13, 2025.

Description of the Notes

General

Nelnet Student Loan Trust 2025-1 is offering the following student loan asset-backed notes (the "notes"):

- class A-1 notes in the aggregate principal amount of $168,200,000;
- class A-2 notes in the aggregate principal amount of $525,000,000; and
- class B notes in the aggregate principal amount of $14,700,000.

The class A-1 notes and the class A-2 notes are referred to collectively as the "class A notes."

The notes are debt obligations of the issuing entity and will be issued pursuant to an indenture of trust. The notes will receive payments primarily from collections on a pool of student loans held by the issuing entity.

The class A notes will be senior notes and the class B notes will be subordinate notes, as described herein. The notes will be issued in minimum denominations of $100,000 and in integral multiples of $1,000 in excess thereof. Interest and principal on the notes will be payable to the record owners of the notes as of the close of business on the day before the related monthly distribution date.

Interest on the Notes

The notes will bear interest at the following rates:

- the class A-1 notes will bear interest at an annual rate equal to the greater of the benchmark (initially the SOFR Rate) or 0%, plus the interest rate margin specified on the cover page of this Offering Memorandum for the class A-1 notes;
- the class A-2 notes will bear interest at an annual rate equal to the greater of the benchmark (initially the SOFR Rate) or 0%, plus the interest rate margin specified on the cover page of this Offering Memorandum for the class A-2 notes; and
- the class B notes will bear interest at an annual rate equal to the greater of the benchmark (initially the SOFR Rate) or 0%, plus the interest rate margin specified on the cover page of this Offering Memorandum for the class B notes.

The benchmark will be determined by the administrator as described under the caption

"DESCRIPTION OF THE NOTES—Interest Payments" herein. However, the benchmark may change in certain situations. If the benchmark (initially the SOFR Rate) is no longer an available benchmark rate, an alternative benchmark rate will be implemented and calculated as described under the caption "DESCRIPTION OF THE NOTES—Interest Payments—*Benchmark Transition Event*" herein.

The administrator will determine the rate of interest on the notes on the second U.S. government securities business day prior to the start of the applicable interest accrual period. Interest on the notes will be calculated on the basis of the actual number of days elapsed during the interest accrual period divided by 360.

Interest accrued on the outstanding principal amount of the notes during each interest accrual period will be paid on the following monthly distribution date in the order and priority described under the caption "Description of the Trust—*Flow of Funds*" below and under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein.

Failure to pay interest on the class B notes is not an event of default so long as any of the class A notes remain outstanding.

Principal Payments on the Notes

Principal distributions will be allocated to the notes on each monthly distribution date in an amount equal to the lesser of:

- the Principal Distribution Amount for that monthly distribution date; and
- funds available to pay principal as described under the caption "Description of the Trust—*Flow of Funds*" below and under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein.

Principal will be paid, *first*, on the class A-1 notes until paid in full, *second*, on the class A-2 notes until paid in full and, *third*, on the class B notes until paid in full.

The term "Principal Distribution Amount" means, for any monthly distribution date, the amount, not less than zero, by which (a) the aggregate outstanding principal amount of the notes immediately prior to such monthly distribution date exceeds (b) the Adjusted Pool Balance for that monthly distribution date less the Specified Overcollateralization Amount. Notwithstanding the foregoing, (i) on or after the maturity date for a class of notes, the Principal Distribution Amount shall not be less than the amount that is necessary to reduce the outstanding principal balance of such class of notes to zero, and (ii) the Principal Distribution Amount shall not exceed the aggregate outstanding principal amount of the notes as of any monthly distribution date (before giving effect to any distributions on such monthly distribution date).

The term "Specified Overcollateralization Amount" means, for any monthly distribution date, the greater of:

- 3.50% of the Adjusted Pool Balance for that monthly distribution date; and
- $4,000,000.

"Adjusted Pool Balance" means, for any monthly distribution date, the sum of the Pool Balance as of the end of the related collection period and the amounts on deposit in the Reserve Fund after giving effect to any payments to or releases from the Reserve Fund on such monthly distribution date.

The Principal Distribution Amount is intended to provide credit support so that, if sufficient funds are available on each monthly distribution date, the Adjusted Pool Balance will continue to exceed the aggregate outstanding principal amount of the notes by the greater of (a) 3.50% of the Adjusted Pool Balance for that monthly distribution date and (b) $4,000,000. On the closing date, the Adjusted Pool Balance will be approximately 105.82% of the aggregate principal amount of the class A notes and approximately 103.62% of the aggregate principal amount of the class A and class B notes.

"Pool Balance" for any date means the aggregate principal balance of the trust student loans on that date, including accrued interest that is expected to be capitalized, as reduced by the principal portion of:

- all payments received by the trust through that date from the borrowers, the guaranty agencies and the U.S. Department of Education;

- all amounts received by the trust through that date from purchases of student loans;

- all liquidation proceeds and realized losses on the student loans through that date;

- the amount of any adjustment to balances of the student loans that the master servicer or the subservicer makes under the master servicing agreement or the subservicing agreement through that date; and

- the amount by which guaranty agency reimbursements of principal on defaulted student loans through that date are reduced from 100% to 97%, or other applicable percentage, as required by the risk sharing provisions of the Higher Education Act.

See the caption "DESCRIPTION OF THE NOTES—Principal Payments on the Notes" herein.

In addition to the principal payments described above, on and after certain specified monthly distribution dates (if certain tests are met) or if the student loans are not sold when permitted pursuant to the optional purchase described below, the notes may receive supplemental payments of principal from certain money remaining in the Collection Fund as described under the caption "Description of the Trust—*Flow of Funds*" below and under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein.

Each principal payment on a class of notes will be allocated to all noteholders of such class of notes on a pro rata basis, based upon the principal amounts of such class of notes held by each such noteholder.

Final Maturity

The monthly distribution date on which each class of the notes is due and payable in full is October 25, 2033 for the class A-1 notes and November 27, 2090 for the class A-2 notes and the class B notes.

The actual maturity of any class of notes could occur earlier if, for example:

- there are prepayments on the student loans held in the trust estate;

- the depositor or its assignee exercises its option to purchase all of the student loans remaining in the trust estate (which will not occur until the Pool Balance is 10% or less of the initial Pool Balance);

- the indenture trustee sells all of the remaining student loans upon an event of default; or

- the remaining student loans in the trust estate are not sold when permitted pursuant to the option to purchase, and the notes receive supplemental payments of principal from money available in the Collection Fund.

If the trust student loans experience significant prepayments, the actual final payments on a class of the notes may occur substantially before its final maturity date, causing a shortening of such class of the notes' weighted average life. See the caption

"DESCRIPTION OF THE NOTES—Prepayment, Yield and Maturity Considerations" herein and "APPENDIX A—WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES AND PERCENTAGES OF ORIGINAL PRINCIPAL REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES FOR THE NOTES" hereto.

Credit Risk Retention

Section 15G of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"), and Regulation RR (17 C.F.R. Part 246) promulgated thereunder, require the sponsor of an asset-backed securitization transaction, or a majority-owned affiliate of the sponsor, to retain not less than 5% of the credit risk of the assets collateralizing the asset-backed securities; provided, however, the risk retention requirement is reduced with respect to asset-backed securities collateralized solely (excluding servicing assets as defined in Regulation RR) by student loans originated under the Federal Family Education Loan Program ("FFELP" or the "FFEL Program"). See the caption "CREDIT RISK RETENTION" in this Offering Memorandum for more information. The depositor, as a wholly-owned affiliate of the sponsor, will satisfy the risk retention requirement of Regulation RR by initially retaining the trust certificate issued pursuant to the trust agreement, which represents the ownership of the trust.

As described under the caption "CREDIT RISK RETENTION—Eligible Horizontal Residual Interest" herein, the trust certificate will constitute an "eligible horizontal residual interest" with respect to the notes, and the sponsor has determined that the fair value of the trust certificate will be $23,084,730.96 as of the closing date, which is anticipated to exceed 3% of the sum of the fair values of the notes and the trust certificate as of the closing date. Unless the sponsor is no longer subject to the holding period requirements of Regulation RR, the sponsor, or a majority owned affiliate of the sponsor, including the depositor, is required to retain the trust certificate until the latest to occur of: (1) the date on which the principal balance of the trust student loans reduces to 33% of their original unpaid principal balance as of the closing date, (2) the date on which the unpaid principal balance of notes has been reduced to 33% of the original principal amount of the notes or (3) the date which is two years after the closing date.

Description of the Trust

General

Nelnet Student Loan Trust 2025-1 is a Delaware statutory trust formed pursuant to Chapter 38 of Title 12 of the Delaware Code, the operations of which are limited to acquiring, holding and managing FFELP loans and other assets of the trust, issuing and making payments on the notes and any other incidental or related activities.

The trust will use the proceeds from the sale of the notes to purchase student loans and to make a deposit to the Reserve Fund.

The only sources of funds for payment of all of the notes issued under the indenture are the student loans and investments pledged to the indenture trustee, the payments the trust receives on those student loans and investments and any payments the trust receives under any derivative product agreements.

The trust will not enter into any derivative products on the closing date. However, upon satisfaction of the rating agency condition, the trust may enter into one or more derivative products in the future.

The Trust's Assets

The assets of the trust will include:

- the FFELP student loans acquired with the proceeds of the sale of the notes and other funds contributed by the sponsor;
- collections and other payments received on account of the student loans;
- money and investments held in funds created under the indenture, including

the Acquisition Fund, the Collection Fund, the Department Rebate Fund and the Reserve Fund; and

- its rights under any derivative product agreement that may be provided for the benefit of the trust.

The sponsor or its affiliates have originated or acquired the student loans to be sold to the trust in the ordinary course of their student loan financing business. The depositor will acquire the student loans from affiliates of the sponsor. Guaranty agencies described under the caption "INFORMATION RELATING TO THE GUARANTY AGENCIES" herein guarantee all of the student loans and such student loans are reinsured by the U.S. Department of Education. Pursuant to a loan purchase agreement, the depositor will sell the student loans to the trust, with the eligible lender trustee holding legal title to the student loans. The eligible lender trustee does not make any representations or warranties relating to such student loans and has no duty to monitor the activities and/or performance of the master servicer or any subservicer.

Except under limited circumstances set forth in the indenture, student loans may not be transferred out of the trust estate. For example, if after the closing date we discover that there has been a breach of the representations or warranties made by the depositor under the loan purchase agreement regarding a student loan, the depositor generally will be obligated to cure such breach, repurchase or replace such student loan, or reimburse the trust for any losses resulting from the breach. However, the trust may sell student loans so long as (a) the aggregate amount of such student loans does not exceed 2% of the initial Pool Balance and (b) such sale of student loans will not cause a material change in the overall composition of the pool of student loans. See the caption "SUMMARY OF THE INDENTURE PROVISIONS—Sale of Student Loans Held in Trust Estate" herein.

The Acquisition Fund

On the closing date, we will deposit into the Acquisition Fund the proceeds from the sale of the notes (less amounts deposited into the Reserve Fund), along with an additional contribution received from the sponsor, which we will use to purchase the student loans. The trust will purchase the student loans for a price equal to 100% of their aggregate outstanding principal balance as of the cut-off date, plus accrued interest to and including the cut-off date. Interest that accrues on the trust student loans subsequent to the cut-off date but prior to the closing date will be paid to the depositor as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein.

The Collection Fund

The indenture trustee will deposit into the Collection Fund all revenues derived from student loans, money or assets on deposit in the trust, amounts received under any joint sharing agreement, all amounts transferred from the Acquisition Fund, the Department Rebate Fund and the Reserve Fund and any payments received from a counterparty to any derivative product agreement. Money on deposit in the Collection Fund will be used to pay the trust's operating expenses (which include amounts owed to the U.S. Department of Education and the guaranty agencies, amounts due under any joint sharing agreement, servicing fees, carry-over servicing fees, trustees' fees, administration fees, Finsight Group, Inc. ("Finsight") annual fees and rating agency surveillance fees), amounts due to any counterparty on any derivative product agreement and interest and principal on the notes. See the caption "Description of the Trust—*Flow of Funds*" below and the captions "FEES AND EXPENSES" and "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein.

The Reserve Fund

The trust will make a deposit to the Reserve Fund from the proceeds of the sale of the notes in the amount of $17,697,500. For any monthly distribution date, the Reserve Fund is subject to a minimum amount equal to the greater of:

- (i) for any monthly distribution date occurring prior to the May 2027 monthly distribution date, 2.50% of the aggregate outstanding principal amount of the notes as of the close of business on the last day of the related collection period, (ii) for any monthly distribution date occurring on and after the May 2027 monthly distribution date and prior to the November 2028 monthly distribution date, 1.00% of the aggregate outstanding principal amount of the notes as of the close of business on the last day of the related collection period, and (iii) for any monthly distribution date occurring on and after the November 2028 monthly distribution date, 0.75% of the aggregate outstanding principal amount of the notes as of the close of business on the last day of the related collection period; and

- 0.10% of the original aggregate outstanding principal amount of the notes.

The amount on deposit in the Reserve Fund will not exceed the outstanding principal amount of the notes and the minimum amount may be reduced if we satisfy the rating agency condition.

On each monthly distribution date, to the extent that money in the Collection Fund is not sufficient to pay amounts owed to the U.S. Department of Education or to the guaranty agencies (other than transfers to repurchase student loans), amounts due under any joint sharing agreement, servicing fees, trustees' fees, administration fees, Finsight annual fees, rating agency surveillance fees, interest then due on the notes and amounts due to any counterparty on any derivative product agreement (other than certain termination payments), an amount equal to the deficiency will be transferred directly from the Reserve Fund. To the extent the amount in the Reserve Fund falls below the Reserve Fund minimum balance, the Reserve Fund will be replenished on each monthly distribution date from funds available in the Collection Fund as described under the caption "Description of the Trust—*Flow of Funds*" below and under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein. In certain circumstances, however, the Reserve Fund could be partially or fully depleted. This depletion could result in shortfalls in distributions to noteholders. Principal payments due on the notes may be made from the Reserve Fund only on the final maturity date for the respective class of notes or upon the exercise of the purchase option. See the caption "Optional Purchase" below. Funds on deposit in the Reserve Fund in excess of the Reserve Fund minimum balance will be transferred to the Collection Fund.

The Department Rebate Fund

The indenture trustee will establish a Department Rebate Fund as part of the trust estate. The Higher Education Act requires holders of student loans first disbursed on or after April 1, 2006 to rebate to the Department of Education interest received from borrowers on such student loans that exceeds the applicable special allowance support levels. We expect that the Department of Education will reduce the special allowance and interest subsidy payments payable to the trust by the amount of any such rebates owed by the trust. However, in certain circumstances the trust may owe a payment to the Department of Education or to another trust pursuant to a joint sharing agreement. If the administrator believes that the trust is required to make any such payment, the administrator will direct the indenture trustee to deposit into the Department Rebate Fund from the Collection Fund the estimated amounts of any such payments. Money in the Department Rebate Fund will be transferred to the Collection Fund to the extent amounts have been deducted by the Department of Education from payments otherwise due to the trust, or will be paid to the Department of Education or another trust if necessary to discharge the trust's rebate obligation. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY

EDUCATION LOAN PROGRAM—Special Allowance Payments" hereto.

Characteristics of the Student Loan Portfolio

The trust will acquire a portfolio of student loans originated under the FFELP, which are described more fully under the caption "CHARACTERISTICS OF THE STUDENT LOANS" herein, having an aggregate outstanding principal balance of $707,869,224.45 as of the statistical cut-off date. As of the statistical cut-off date, the weighted average annual borrower interest rate of the student loans was approximately 4.84% and their weighted average remaining term to scheduled maturity was approximately 156 months. Approximately $81,482,889.03 of the principal amount of the student loans (representing approximately 11.51% of the student loans by principal amount as of the statistical cut-off date) to be acquired by the trust are "rehabilitation loans," which are student loans that have previously defaulted, but for which the borrower thereunder has made a specified number of on-time payments as described under "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees—*Rehabilitation of Defaulted Loans*" hereto.

Flow of Funds

On each monthly distribution date, prior to an event of default that results in an acceleration of the maturity of the notes, money in the Collection Fund will be used to make the following deposits and distributions, to the extent funds are available, as set forth in the chart on the following page:

[Remainder of page intentionally left blank]

Priority	Collection Fund
	COLLECTION FUND
1st (pro rata)	National Education Loan Network, Inc., as master servicer, U.S. Bank National Association, as eligible lender trustee and indenture trustee, and U.S. Bank Trust National Association, as Delaware trustee (Servicing fees and trustees' fees, expenses and indemnities)[1]
2nd (pro rata)	National Education Loan Network, Inc., as administrator, Finsight Group, Inc. and Moody's (administration fees and any prior unpaid administration fees, Finsight annual fees and rating agency surveillance fees)
3rd (pro rata)	Class A Noteholders and derivative product counterparties (Interest on the class A notes and amounts due on any derivative product agreement other than certain termination payments)
4th	Class B Noteholders (Interest on the class B notes)
5th	Nelnet Student Loan Funding III, LLC, as Depositor (An amount equal to unpaid interest accrued on the student loans subsequent to the cut-off date but prior to the closing date until this amount has been paid in full)
6th	Reserve Fund (Amounts necessary to restore the Reserve Fund to the Reserve Fund minimum balance)
7th	Class A and Class B Noteholders (Principal Distribution Amount will be allocated, *first*, to the class A-1 notes until they are paid in full, *second*, to the class A-2 notes until they are paid in full and, *third*, to the class B notes until they are paid in full)
8th	Derivative Product Counterparties (Any accrued and unpaid termination payments)
9th	Class A and Class B Noteholders (A) on and after the December 2034 monthly distribution date or (B) if the student loans are not sold when permitted pursuant to the optional purchase, to the noteholders, as supplemental payments of principal, *first*, to the class A-1 notes until they are paid in full, *second*, to the class A-2 notes until they are paid in full and, *third*, to the class B notes until they are paid in full)
10th (pro rata)	Master Servicer and Delaware Trustee (Any carry-over servicing fees or additional Delaware trustee fees, expenses and indemnities not paid pursuant to the 1st priority of payments above)
11th	Released to the trust for distribution to the certificate holders of the trust (Any remaining amounts)

[1] The payment of expenses and indemnification amounts pursuant to this clause is subject to certain annual limitations. See the caption "FEES AND EXPENSES" herein.

Flow of Funds After Events of Default

Following the occurrence of an event of default that results in an acceleration of the maturity of the notes, no distributions of principal or interest will be made with respect to the class B notes until payment in full of principal and interest on the class A notes. See the caption "SUMMARY OF THE INDENTURE PROVISIONS—Remedies on Default" herein.

Credit Enhancement

Credit enhancement for the notes will include overcollateralization and cash on deposit in the Reserve Fund as described below and under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES" herein, for the class A-1 notes, the sequential payment of principal on the class A-1 notes prior to the class A-2 notes and, for the class A notes, the subordination of the class B notes, as described under the caption "CREDIT ENHANCEMENT" herein. Overcollateralization is the amount by which the Adjusted Pool Balance exceeds the aggregate outstanding principal amount of the notes. The amount of overcollateralization will vary from time to time depending on the rate and timing of principal payments on the trust student loans, capitalization of interest, certain borrower fees and the incurrence of losses, if any, on the trust student loans.

Servicing and Administration

Under a master servicing agreement, National Education Loan Network, Inc. ("NELN") will act as master servicer with respect to the student loans and will arrange for and oversee the subservicer's performance of its servicing obligations. NELN will be paid a monthly servicing fee equal to the lesser of:

- $2.13 per borrower per month for student loans in in-school status, $2.13 per borrower per month for student loans in grace status, $3.20 per borrower per month for all other student loans, and an additional $2.40 per borrower per month for loans more than 15 days past due; or
- the greater of (i) 1/12th of 0.90% of the outstanding principal balance of the trust's non-consolidation loans and 1/12th of 0.50% of the outstanding principal balance of the trust's consolidation loans and (ii) $6,000 per month.

NELN will be responsible for payment of all compensation due to the subservicer for performance of the servicing obligations under the subservicing agreement. In addition, NELN will be entitled to receive from available funds a carry-over servicing fee as described under the caption "Description of the Trust—*Flow of Funds*" above and under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein. The carry-over servicing fee is the sum of:

- the amount of specified increases in the costs NELN incurs;
- the amount of specified conversion, transfer and removal fees;
- any carry-over servicing fees described above that remain unpaid from prior monthly distribution dates; and
- interest on unpaid amounts as set forth in the master servicing agreement.

Nelnet Servicing, LLC, d/b/a Firstmark Services and Sloan Servicing ("Nelnet Servicing"), a wholly-owned, indirect subsidiary of Nelnet, Inc. ("Nelnet") will act as subservicer with respect to the trust student loans. NELN will enter into a subservicing agreement with Nelnet Servicing pursuant to which the subservicer will assume responsibility for servicing, maintaining custody of and making collections on the trust's pool of student loans and billing and collecting payments from the guaranty agencies and the Department of Education.

Under the master servicing agreement, if a student loan is denied the benefit of any applicable guarantee due to a servicing error, the master servicer will cause the subservicer to reimburse the trust for principal and interest due on the affected student loan, less the amount subject to the risk sharing provisions of the Higher Education Act. If the subservicer fails or refuses to purchase a student loan as described above, NELN must purchase the student loan. See the caption "THE STUDENT LOAN OPERATIONS OF NELNET STUDENT LOAN TRUST 2025-1—Servicing of Student Loans" herein.

NELN will act as the trust's administrator pursuant to an administration agreement with the Delaware trustee, the indenture trustee, the eligible lender trustee and the trust. See the caption "THE STUDENT LOAN OPERATIONS OF NELNET STUDENT LOAN TRUST 2025-1—Administration Agreement" herein.

Optional Purchase

The depositor or its assignee may, but is not required to, repurchase the remaining student loans in the trust on any monthly distribution date when the Pool Balance is 10% or less of the initial Pool Balance. If this purchase option is exercised, the student loans will be sold to the depositor or its assignee as of the last business day of the preceding collection period and the proceeds will be used on the corresponding monthly distribution date to repay outstanding notes, which will result in early retirement of the notes. On the closing date, the depositor intends to assign its purchase option to the sponsor.

If the depositor or its assignee exercises its purchase option, the optional purchase amount will equal the amount that, when combined with amounts on deposit in the funds and accounts held under the indenture, would be sufficient to:

- reduce the principal amount of each class of notes then outstanding on the related monthly distribution date to zero;
- pay to each class of noteholders the interest payable on the related monthly distribution date;
- pay any unpaid servicing fees, carry-over servicing fees, administration fees, trustees' fees, expenses and indemnification, Finsight annual fees and rating agency surveillance fees; and
- pay any amounts due on any derivative product agreement.

Book-entry Registration

The notes will be delivered in book-entry form through The Depository Trust Company, and through Clearstream as a participant in The Depository Trust Company. You will not receive a certificate representing your notes except in very limited circumstances. See the caption "BOOK-ENTRY REGISTRATION" herein.

U.S. Federal Income Tax Consequences

Kutak Rock LLP, special tax counsel to the trust, will deliver an opinion to the effect that, assuming the accuracy of and compliance with certain assumptions, representations, warranties and covenants, for U.S. federal income tax purposes: (a) upon their initial issuance, the notes will be characterized as debt if and to the extent beneficially owned on the closing date by persons other than the trust, the beneficial owners of the trust certificates, persons related to, or treated as the same person as, such beneficial owners or persons affiliated with the trust (collectively referred to as "trust affiliates") and (b) the trust will not be classified as an association taxable as a corporation or characterized as a publicly traded partnership taxable as a corporation.

The class B notes are initially being acquired by trust affiliates and are referred to in this Offering Memorandum as "retained notes." If any retained notes are to be later (i) sold, (ii) listed on an "established securities market" within the meaning of Code Section 7704 or (iii) otherwise transferred at a later time to a Person that is not a trust affiliate (a "later-sold note"), as a condition to such sale, listing or transfer, (a) the indenture trustee and the trust are required to receive an opinion of counsel to the effect that such later-sold note "will be debt" for U.S. federal income tax purposes from a law firm nationally recognized to be qualified to opine concerning the U.S. federal income tax aspects of asset securitizations (a "qualifying debt opinion") and (b) either (i) such later-sold note has a CUSIP number that is different than that of any other notes outstanding immediately prior to such sale or (ii) the indenture trustee and the trust receive an opinion of counsel to the effect that, for U.S. federal income tax purposes, such later-sold note (1) is considered to have the same issue price and issue date for U.S. federal income tax purposes as any outstanding notes that have the same CUSIP number as such later-sold note and (2) has terms that are in all material respects identical to any outstanding notes that have the same CUSIP number as such later-sold note. For the avoidance of doubt, once a later-sold note has satisfied these conditions, subsequent transfers of such later-sold note shall not be subject to the requirements in this paragraph.

By accepting its notes, each noteholder agrees to treat its notes (other than any retained notes prior to becoming a later-sold note transferred in accordance with the requirements described in the preceding paragraph) as indebtedness for U.S. federal income tax and all applicable state and local income and franchise tax purposes in all tax filings, reports and returns and otherwise, and will not take, or participate in the taking of or permit to be taken, any action that is inconsistent with such tax treatment and tax reporting of the notes, unless required by applicable law.

The class A-1 notes will be issued at par and will not be issued with original issue discount ("OID") as defined in Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code") based on their initial offering price to the public on the closing date. Stated interest on the class A-1 notes will be includible in gross income when received or accrued by the class A-1 noteholders in accordance with their respective methods of tax accounting and the applicable provisions of the Code.

The class A-2 notes will be issued at par and will not be issued with OID based on their initial offering price to the public. Stated interest on the class A-2 notes will be includible in gross income when received or accrued by the class A-2 noteholders in accordance with their respective methods of tax accounting and the applicable provisions of the Code.

All of the class B notes will be acquired by a trust affiliate on the closing date. To the extent that a class B note sold after the closing date by a trust affiliate is treated as issued for U.S. federal income tax purposes on its date of sale, it is unknown on the closing date whether the class B note would be treated as issued at par, a de minimis discount from par or with OID based on its initial offering price to the public on the date of sale. Except as described below, stated interest on the class B notes will be includible in gross income when received or accrued by the class B noteholders in accordance with their respective methods of tax accounting and the applicable provisions of the Code. However, the class B notes may be treated as issued with OID due to the possibility of interest deferral under the terms of the class B notes, and stated interest on the class B notes would be includible in income in accordance with the method under the Code that applies to OID (which would be in addition to any OID based on their initial offering price to the public when the class B notes are treated as issued for U.S. federal income tax purposes). Absent official guidance on this point, the trust does not intend to treat the possibility of interest deferral on the class B notes as creating OID, although it may revise such treatment in the future if it should determine a change to be appropriate. See the caption "CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS" herein.

ERISA Considerations

Fiduciaries of employee benefit plans, retirement arrangements and other entities in which such plans or arrangements are invested may choose to invest in the notes subject to the

Code, the Employee Retirement Income Security Act of 1974, as amended, other applicable law, and the considerations and representations addressed under the caption "ERISA CONSIDERATIONS" herein.

Certain Investment Company Act Considerations

The issuing entity is not registered or required to be registered as an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act"), pursuant to Section 3(c)(5) thereof, although there may be additional exclusions or exemptions available to the issuing entity. The issuing entity does not rely upon the exclusions from the definition of "investment company" set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. The issuing entity does not constitute a "covered fund" for purposes of Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010) (the "Dodd-Frank Act" and, such section of the Dodd-Frank Act, also known as the "Volcker Rule." Since the issuing entity has not registered, and does not intend to register, as an investment company under the Investment Company Act, noteholders will not be afforded protections of the provisions of the Investment Company Act designed to protect investment company investors.

EU Securitization Regulation

None of the trust, the administrator, the sponsor, the initial purchasers, the other parties to the transaction described in this Offering Memorandum, nor any of their respective affiliates, will undertake, or intends, to retain a material net economic interest in such transaction in a manner that would satisfy the requirements of Regulation (EU) 2017/2402 of the European Parliament and of the Council of December 12, 2017 (as amended, the "EU Securitization Regulation").

In addition, no such person will undertake, or intends, to take any other action or refrain from taking any action prescribed or contemplated in the EU Securitization Regulation, or for purposes of, or in connection with, compliance by any investor or any other person with any requirements of the EU Securitization Regulation or by any person with the requirements of any other law or regulation now or hereafter in effect in the European Union (the "EU") or the European Economic Area (the "EEA") in relation to risk retention, due diligence and monitoring, credit granting standards, transparency or any other conditions with respect to investments in securitization transactions.

Consequently, the notes may not be a suitable investment for an investor that is subject to the EU Securitization Regulation. As a result, the price and liquidity of the notes in the secondary market may be adversely affected.

Prospective investors are responsible for analyzing their own legal and regulatory position and are encouraged to consult with their own investment and legal advisors regarding the suitability of the notes for investment and the scope and applicability of, and compliance with, the EU Securitization Regulation.

UK securitization framework

None of the trust, the administrator, the sponsor, the initial purchasers, the other parties to the transaction described in this Offering Memorandum, nor any of their respective affiliates, will undertake, or intends, to retain a material net economic interest in such transaction in a manner that would satisfy the requirements of the Securitisation Regulations 2024 (SI 2024/102) (as amended), together with (i) the securitisation sourcebook of the handbook of rules and guidance adopted by the Financial Conduct Authority of the UK (as amended), (ii) the Securitisation Part of the rulebook of published policy of the Prudential Regulation Authority (as amended) and (iii) relevant provisions of the FSMA (as amended), which set out the framework for the regulation of certain aspects of securitization in the UK (all together, the "UK Securitization Framework").

In addition, no such person will undertake, or intends, to take any other action or refrain from taking any action prescribed or contemplated in the UK Securitization Framework, or for purposes of, or in connection with, compliance by any investor or any other person with any requirements of the UK Securitization Framework or by any person with the requirements of any other law or regulation now or hereafter in effect in the UK in relation to risk retention, due diligence and monitoring, credit granting standards, transparency or any other conditions with respect to investments in securitization transactions.

Consequently, the notes may not be a suitable investment for an investor that is subject to the UK Securitization Framework. As a result, the price and liquidity of the notes in the secondary market may be adversely affected.

Prospective investors are responsible for analyzing their own legal and regulatory position and are encouraged to consult with their own investment and legal advisors regarding the suitability of the notes for investment and the scope and applicability of, and compliance with, the UK Securitization Framework.

Rating of the Notes

The notes will be rated at least as follows:

Class	**Rating Agency (Moody's)**
Class A-1 notes	Aa1 (sf)
Class A-2 notes	Aa1 (sf)
Class B notes	Aa1 (sf)

See the caption "RISK FACTORS—Ratings of the sponsor and other student loan asset-backed notes issued by affiliates of the sponsor may be reviewed or downgraded" herein.

Rule 144A CUSIP Numbers

- Class A-1 notes: 64035EAA2
- Class A-2 notes: 64035EAB0
- Class B notes: 64035EAC8

Regulation S CUSIP Numbers

- Class A-1 notes: U6371QAA5
- Class A-2 notes: U6371QAB3
- Class B notes: U6371QAC1

Rule 144A International Securities Identification Numbers (ISIN)

- Class A-1 notes: US64035EAA29
- Class A-2 notes: US64035EAB02
- Class B notes: US64035EAC84

Regulation S International Securities Identification Numbers (ISIN)

- Class A-1 notes: USU6371QAA59
- Class A-2 notes: USU6371QAB33
- Class B notes: USU6371QAC16

RISK FACTORS

Potential investors in the notes should consider the following risk factors together with all other information in this Offering Memorandum in deciding whether to purchase notes. The following discussion of possible risks is not meant to be an exhaustive list of the risks associated with the purchase of notes and does not necessarily reflect the relative importance of the various risks. Additional risk factors relating to an investment in the notes are described throughout this Offering Memorandum, whether or not specifically designated as risk factors. There can be no assurance that other risk factors will not become material in the future.

Although the various risks discussed in this Offering Memorandum are generally described separately, prospective investors in the notes should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased.

Financial regulatory legislation, regulation and enforcement could adversely affect Nelnet, its affiliates, the trust student loans and the notes

Numerous federal and state consumer protection laws and related regulations impose substantial requirements upon lenders, servicers, and other parties involved in consumer financial activities. Some state laws impose finance charge ceilings, licensing requirements, and other restrictions on consumer transactions and require contract disclosures in addition to those required under federal law. These requirements impose specific statutory liabilities upon parties who fail to comply with their provisions. Many such state requirements generally do not apply to conduct in connection with federally guranteed student loans as a result of principles of federal preemption. To the extent that such requirements do apply to conduct in connection with federally guranteed student loans (whether currently or in the future as a result in changes in laws, regulations, or their interpretations or, for state laws, as a result of changes in the applicable scope of federal preemption), various transaction-related parties may face compliance obligations under such laws. Regulatory enforcement or private actions related to compliance obligations may result not only in penalties imposed against parties determined to be in violation of applicable requirements, but also program disruption, consumer remediation requirements, or loan impairment (in whole or in part), any of which could result in losses or delays in payments on the notes.

State or local governments could enact or reinstate, and in some cases have enacted, laws, regulations, executive orders or other guidance that allow borrowers to stop making scheduled payments on certain obligations for some period of time, or preclude creditors from exercising collection rights with respect to such obligations after they are in default. Such measures do not apply to collection efforts by guaranty agencies on defaulted federally guaranteed student loans as they are preempted by federal law (but such preemption does not apply to the trust student loans serviced by the master servicer or subservicer). Even if any such state and local measures do not actually apply to borrowers of the trust student loans, such borrowers could mistakenly believe that such state and local measures provide relief from debt service obligations, and withhold payment.

The Dodd-Frank Act was enacted in July 2010 to reform and strengthen supervision of the U.S. financial services industry. The Dodd-Frank Act represents a comprehensive change to existing laws, imposing significant new regulation on almost every aspect of the U.S. financial services industry. The Dodd-Frank Act resulted in significant new regulation in key areas of the business of Nelnet and its affiliates and the markets in which they operate, including new requirements for derivatives and securitizations (such as risk retention requirements promulgated under Regulation RR as described under the caption "CREDIT RISK RETENTION" herein) and, for public companies, corporate governance and executive compensation provisions.

At this time, it is difficult to predict the extent to which the Dodd-Frank Act or the resulting regulations will impact the trust's business and operations and the business and operations of Nelnet, the depositor, the subservicer, and their affiliates. Most of the parts of the Dodd-Frank Act continue to be subject to intensive rulemaking and public comment and none of Nelnet or its affiliates can predict the ultimate effect the Dodd-Frank Act or required examinations of the education loan market could have on their operations at this time. It is likely, however, that operational expenses will increase if new or additional compliance requirements are imposed on their operations and their competitiveness could be significantly affected if they are subjected to supervision and regulatory standards not otherwise applicable to their competitors.

Following the inauguration of President Donald Trump on January 20, 2025, there is considerable uncertainty as to the operating status of federal agencies and the future policies that the administration may pursue in areas impacting financial regulation and consumer protection. Federal consumer financial regulation is in a period of extended transition for a variety of reasons, including pending nominations for agency leadership, the issuance of executive orders impacting the operations of federal agencies, reductions of personnel across agencies, and reductions in the power of the administrative state resulting from judicial decisions over the past several years. Many of the administration's actions are being challenged in court and the ultimate resolutions of many such challenges are pending. Further, the new federal administration inherited several pending challenges to rules issued by the previous administration. Depending on the case, agencies have sought to suspend or settle the litigation, withdraw the rules, or take other action. The outlook is similarly uncertain with respect to enforcement cases. The state-level response to changes at federal agencies is also unclear and may include increasing, decreasing, or re-prioritizing enforcement activity.

Risks relating to the potential closure of the Department of Education and changes to the FFEL Program and FFELP loans are described under the risk factors captioned "—Potential Closure of the Department of Education and Changes to the FFEL Program" and "—Resumption of Collections on Defaulted FFELP Loans and Changes to SAVE Plan."

The regulatory authority and enforcement powers of the CFPB could be used to assert claims against Nelnet and the other transaction parties, including directly against the trust

The Dodd-Frank Act established the Consumer Financial Protection Bureau (the "CFPB"). The CFPB, an independent agency within the Federal Reserve, regulates consumer financial products, including education loans, and other financial services offered primarily for personal, family, or household purposes, and the CFPB and other federal agencies, including the Securities and Exchange Commission (the "SEC") and the Commodity Futures Trading Commission, are required to undertake various assessments and rulemakings to implement the Dodd-Frank Act. The CFPB has substantial power to define the rights of consumers and the responsibilities of certain institutions, including the business of Nelnet and its affiliates. In addition to its supervisory authority, the CFPB has broad authority to enforce compliance with federal consumer financial laws, including those applicable to private student lenders and student loan servicers, as well as the Dodd-Frank Act's prohibition on unfair, deceptive or abusive acts or practices, by conducting investigations and hearings, imposing monetary penalties, collecting fines and requiring consumer restitution in the event of violations. It may also bring a federal lawsuit or administrative proceeding. In addition, the Dodd-Frank Act authorizes state officials to enforce regulations issued by the CFPB. The CFPB's powers are broad and vest substantial discretion in a single director appointed by the President and confirmed by the Senate.

For example, the CFPB has successfully asserted the power to investigate and bring enforcement actions directly against securitization vehicles. On December 13, 2021, in an action brought by the CFPB, the U.S. District Court for the District of Delaware denied a motion to dismiss filed by a securitization trust by holding that the trust is a "covered person" under the Dodd-Frank Act because it engages in the servicing of loans, even if through servicers and subservicers. *CFPB v. Nat'l Collegiate Master Student Loan Trust*, No. 1:17-cv-1323-SB (D. Del.). As a "covered person," the securitization trust would be subject to supervision, investigations and enforcement actions by the CFPB. On February 11, 2022, the district court granted the defendant trusts' motion to certify its ruling in favor of the CFPB for immediate appeal and stayed the case pending resolution of any appeal. On April 29, 2022, the U.S. Court of Appeals for the Third Circuit granted defendants' petition for permission to appeal. On February 11, 2022, the District Court for the District of Delaware granted the defendant trusts' motion to certify that order for immediate appeal and stayed the case pending resolution of any appeal. On April 29, 2022, the U.S. Court of Appeals for the Third Circuit agreed to hear the appeal. On November 14, 2022, the attorneys general of 22 states and the District of Columbia filed an amicus brief supporting the CFPB's position. On March 19, 2024, the Court held that the securitization trust entities are "covered persons" under the Dodd-Frank Act because they "engage" in consumer financial products or services (student loan servicing and debt collection). On May 3, 2024, the securitization trusts filed a petition in the Third Circuit seeking rehearing before the full Third Circuit court, and on May 21, 2024, the Third Circuit Court of Appeals denied the trusts' petition. On August 16, 2024, the defendant trust filed a petition for a writ of certiorari to the U.S. Supreme Court. The petition was denied by the U.S. Supreme Court on December 16, 2024. In January 2025, the National Collegiate Student Loan Trusts ("NCSL Trusts") and the CFPB agreed to a consent order pursuant to which, if entered by the court, the NCSL Trusts would have paid $2.25 million to be used towards consumer restitution and NCSL Trusts would have agreed to certain injunctive relief concerning its collections practices. On February 18, 2025, a group of certain noteholders filed an objection to the proposed consent order. However, on April 25, 2025, the CFPB and the defendants filed a joint stipulation of voluntary dismissal of the case and the case was dismissed with prejudice on April 28, 2025.

In addition, on May 6, 2024, the CFPB filed a separate complaint against the National Collegiate Student Loan Trusts ("NCSL Trusts"), as well as the Pennsylvania Higher Education Assistance Agency ("PHEAA"), the primary student loan servicer for active student loans held by the NCSL Trusts, as part of a settlement with the NCSL Trusts and PHEAA. The CFPB alleged that the defendants failed to respond to borrower requests, failed to provide accurate information to borrowers and incorrectly denied forbearance requests. The CFPB also filed proposed final judgments, to which the NCSL Trusts and PHEAA agreed, that, once entered by the court, would require the NCSL Trusts and PHEAA to pay $400,000 and $1.75 million in penalties, respectively; to pay an additional $3 million in redress to affected borrowers, to be allocated by agreement between PHEAA and the NCSL Trusts; and to correct outstanding requests by borrowers. The proposed orders would also require the NCSL Trusts to modify their servicing guidelines to address the CFPB's allegations. On June 21, 2024, Pacific Investment Management Company LLC filed a proposed objection to the proposed consent orders and motion to intervene, and on July 5, 2024, the CFPB filed a response to the objection and an opposition to the motion to intervene. On October 1, 2024, the federal district court issued an order granting the final judgements and overruling the objection. On October 31, 2024, PHEAA appealed the order granting the joint motion for judgments to the Third Circuit Court of Appeals. On January 3, 2025, the court agreed to stay the effectiveness of the settlement pending Pacific Investment Management Company LLC's appeal of its objection. On August 12, 2025, the parties announced they had reached a settlement and requested remand to the federal district court for consideration of a motion to partially vacate or modify the proposed consent order.

Despite the current leadership of the CFPB having reversed its position, the Third Circuit Court of Appeals' decision remains legal precedent, and future CFPB leadership, and state attorneys general, who have the independent authority to enforce the Dodd-Frank Act, may rely on the Third Circuit's decision as precedent in investigating and bringing enforcement actions against other trusts and securitization vehicles, including the trust, in the future.

In May 2015, the CFPB launched a public inquiry into student loan servicing practices throughout the industry. In September 2015, the CFPB issued a report discussing public comments submitted in response to the inquiry and, in consultation with the Department of Education and Department of the Treasury, released recommendations to reform student loan servicing to improve borrower outcomes and reduce defaults. Both the Department of Education and the CFPB may issue enhanced customer service standards and servicing rules in the future. We are unable to estimate at this time any potential financial or other impact to the subservicer that could result from these developments.

In addition, the CFPB supervises and examines certain non-bank student loan servicers that service more than 1 million borrower accounts, to ensure that bank and non-bank servicers follow the same rules in the student loan servicing market. The rule covers both federal and private student loans. The subservicer services more than 1 million student loan borrower accounts. If in the course of an examination the CFPB were to determine that the subservicer is not in compliance with applicable laws, regulations and CFPB positions, it is possible that this could result in material adverse consequences to the subservicer, including, without limitation, settlements, fines, penalties, adverse regulatory actions, changes in the subservicer's business practices, or other actions. However, we are unable to estimate at this time any potential financial or other impact to the subservicer, including any impact on its ability to satisfy its obligations with respect to the student loans to be sold to the trust, that could result from a CFPB examination, in the event that any adverse regulatory actions occur.

As of the date of this Offering Memorandum, the CFPB has neither a permanently appointed director nor a pending nominee for such position. Lack of permanent agency leadership creates further uncertainty as to the long-term prospects for the prioritization and use of its regulatory and enforcement powers.

SOFR is a relatively new reference rate that may be more volatile than other benchmark or market rates, its composition is not the same as the former LIBOR and it may fail to gain market acceptance, all of which may adversely affect the trust and the notes

The notes will accrue interest at a floating rate based on a spread over a benchmark rate, which initially will be the SOFR Rate. The SOFR Rate will be based on compounded averages of SOFR, which are used to determine Compounded SOFR. For information on how the SOFR Rate and Compounded SOFR are determined, see "DESCRIPTION OF THE NOTES—*Interest Payments*" and "*—Benchmark Transition Event*" in this Offering Memorandum.

SOFR is a new reference rate and is still subject to change.

SOFR is intended to be a broad measure of the cost of borrowing funds overnight in transactions that are collateralized by U.S. Treasury securities. SOFR is calculated based on transaction-level repo data collected from various sources. For each trading day, SOFR is calculated as a volume-weighted median of transaction-level triparty repo data collected from The Bank of New York Mellon as well as General Collateral Finance Repo transaction data and data on bilateral Treasury repo transactions cleared through The Fixed Income Clearing Corporation's delivery versus-payment service. The Federal Reserve Bank of New York ("FRBNY") notes that it obtains information from DTCC Solutions LLC, an affiliate of The Depository Trust & Clearing Corporation. The FRBNY states on its publication page for SOFR that the use of SOFR is subject to important limitations and disclaimers, including that the FRBNY may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice.

SOFR is calculated and published by the FRBNY. If data from a given source required by the FRBNY to calculate SOFR is unavailable for any day, then the most recently available data for that segment will be used, with certain adjustments. If errors are discovered in the transaction data or the calculations underlying SOFR after its initial publication on a given day, SOFR may be republished at a later time that day. Rate revisions will be effected only on the day of initial publication and will be republished only if the change in the rate exceeds one basis point.

SOFR is published by the FRBNY based on data received from sources outside of Nelnet's control or direction and neither Nelnet nor the trust has control over its determination, calculation or publication. In contrast to other indices, SOFR may be subject to direct influence by activities of the FRBNY, which may directly affect prevailing SOFR rates in ways Nelnet and the trust are unable to predict. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the noteholders. Any change in the SOFR calculation may result in a reduction of the amount of interest payable on and the trading prices of the notes.

SOFR has a limited history.

SOFR has a limited history and was first published by FRBNY in April 2018. The FRBNY has also started publishing historical indicative SOFR dating back to 2014, although such historical indicative data inherently involves assumptions, estimates and approximations. The future performance of SOFR, and SOFR-based reference rates, cannot be predicted based on SOFR's history or otherwise. Levels of SOFR in the future may bear little or no relation to historical levels of SOFR, the London Interbank Offered Rate ("LIBOR") or other rates. Due to the emerging and developing adoption of SOFR as an interest rate index, investors who desire to obtain financing for their notes may have difficulty obtaining any credit or credit with satisfactory interest rates, which may result in lower leveraged yields and lower secondary market prices upon the sale of the notes.

SOFR and other alternative floating rates that are relatively new market indexes, will likely have little or no established trading markets initially, and established trading markets for some rates may never develop or may not be liquid. If SOFR does not become widely adopted for securities like the notes, or if the specific methodology for calculating interest on the notes is not widely adopted by other market participants, the trading prices of the notes may be lower than those of similar securities which are linked to indices that are more widely used.

There are important differences between SOFR and LIBOR.

SOFR differs fundamentally from LIBOR, the benchmark rate that SOFR replaced. LIBOR was intended to be an unsecured rate that represents interbank funding costs for different short-term maturities or "tenors." It was a forward-looking rate reflecting expectations regarding interest rates for those tenors. Thus, LIBOR was intended to be sensitive, in certain respects, to bank credit risk and to term interest rate risk. In contrast, SOFR is a secured overnight rate reflecting the credit of U.S. Treasury securities as collateral. Thus, it is intended to be largely insensitive to credit-risk considerations and to short-term interest rate risks. SOFR is a transaction-based rate, and it has been more volatile than changes in other comparable benchmark or market rates, such as those based on LIBOR, during certain periods, and SOFR over the term of the notes may bear little or no relation to the historical actual or historical indicative data.

For these reasons, among others, there is no assurance that SOFR, or rates derived from SOFR, will perform in the same or similar way as LIBOR would have performed at any time, and there is no assurance that SOFR-based rates will be a suitable substitute for LIBOR.

There is uncertainty as to how the trading market for floating rate obligations will develop as result of the LIBOR discontinuation and as to the effects on Nelnet or its affiliates.

Financial markets, particularly the trading markets for floating rate obligations, may be adversely affected by the change from LIBOR to one or more of the SOFR-based rates or the other rates that have or may develop in response to the LIBOR discontinuation.

Non-LIBOR floating rate obligations, including SOFR-based obligations, may have returns and values that fluctuate more than those of floating rate debt obligations that were linked to LIBOR or other rates. Market terms for non-LIBOR floating rate obligations, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of non-LIBOR floating rate obligations may be different depending on when they are issued and changing views about correct spread levels.

Resulting changes in the financial markets may adversely affect financial markets generally and may also adversely affect Nelnet's or its affiliates operations, finances and investments, or the trust student loans or the notes specifically.

Various SOFR-based rates are expected to develop in trading markets for floating rate obligations.

It is expected that more than one SOFR-based rate will become widely used in the financial markets. Like LIBOR, some SOFR-based rates will be forward-looking term rates; other SOFR-based rates will be intended to resemble rates for term structures through their use of averaging mechanisms. Different kinds of SOFR-based rates, such as term rates or average rates, will result in different interest rates. Resulting mismatches among SOFR-based rates and between SOFR-based rates and other rates may cause economic inefficiencies, particularly where market participants seek to hedge one kind of SOFR-based rate by entering into hedge transactions based on another SOFR-based rate or another rate.

Reliance upon Compounded SOFR and any adjustments used to determine Compounded SOFR may adversely affect the notes

The FRBNY began to publish, in March 2020, backward-looking compounded averages of SOFR, which are used to determine Compounded SOFR. It is possible that there will be limited interest in securities products based on Compounded SOFR. In addition, forward-looking Term SOFR became available for use in cash products in 2021. It is possible that there will be relatively more interest in securities products based on Term SOFR as compared to securities products based on Compounded SOFR. As a result, you should consider whether reliance on Compounded SOFR may adversely affect the market value and yield of the notes due to potentially limited liquidity and resulting constraints on available hedging and financing alternatives.

The administrator, may, from time to time and in its sole discretion, make conforming changes (i.e., technical, administrative or operational changes) without the consent of noteholders or any other party, which could change the methodology used to determine Compounded SOFR. The issuing entity can provide no assurance that the methodology to calculate Compounded SOFR will not be adjusted as described in the prior sentence and, if so adjusted, that the resulting interest rate will yield the same or similar economic results over the term of the notes relative to the results that would have occurred had the interest rate been determined without any such adjustment or that the market value of the notes will not decrease due to any such adjustment. Holders of the notes will not have any right to approve or disapprove of these changes and will be deemed to have agreed to waive and release any and all claims relating to any such determinations.

You should carefully consider the foregoing uncertainties prior to investing in the notes. In general, events related to SOFR and alternative reference rates may adversely affect the liquidity, market value and yield of your notes.

Uncertainty about a change to the benchmark for the notes may adversely affect the notes

The interest rate on the notes will be based on a benchmark plus an interest rate margin, which initially will be the SOFR Rate plus the applicable interest rate margin as set forth on the cover of this Offering Memorandum, but will change in the event of a benchmark replacement following the occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date (as further described in this Offering Memorandum under the caption "DESCRIPTION OF THE NOTES—Interest Payments").

The Federal Reserve Bank of New York ("FRBNY"), publishes SOFR based on data received by it from sources other than the administrator, and neither the administrator nor any other party to the transaction described in this Offering Memorandum has any control over its calculation methods, publication schedule, rate revision practices or availability of SOFR at any time. There can be no guarantee, particularly given its relatively recent introduction, that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the notes. If the manner in which SOFR is calculated is changed, that change may result in a reduction in the amount of interest payable on the notes and the trading prices of the notes.

Further, as described in this Offering Memorandum under the caption "DESCRIPTION OF THE NOTES—Interest Payments—*Benchmark Transition Event*," if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Benchmark Replacement will depend on the availability of various benchmark rates described under the captions "DESCRIPTION OF THE NOTES—Interest Payments" and "—Benchmark Transition Event." These benchmark rates may be calculated using components different from those used in the calculation of the SOFR Rate and may fluctuate differently than, and not be representative of, the SOFR Rate. In order to compensate for these differences in the benchmark replacements, a Benchmark Replacement Adjustment may be included in any Benchmark Replacement. However, we cannot provide any assurances that any Benchmark Replacement Adjustment will be sufficient to produce the economic equivalent of the then-current Benchmark, either at the Benchmark Replacement Date or over the life of the notes. As a result of each of the foregoing factors, we cannot provide any assurances that the characteristics of any benchmark will be similar to the then-current Benchmark that it is replacing, or that any Benchmark Replacement will produce the economic equivalent of the then-current Benchmark that it is replacing.

Additionally, the determination of any Benchmark Replacement, the calculation of the interest rate on the notes by reference to a Benchmark Replacement (including the application of any Benchmark Replacement Adjustment), any implementation of Benchmark Replacement Conforming Changes or SOFR Adjustment Conforming Changes and any other determinations, decisions or elections that may be made under the terms of the notes in connection with a Benchmark Transition Event, could adversely affect the value of the notes, the return on the notes and the price at which noteholders can sell their notes. Furthermore, the issuing entity cannot anticipate how long it will take to adopt a specific benchmark replacement, which may delay and contribute to uncertainty and volatility surrounding any Benchmark Transition Event or benchmark replacement.

The administrator will have discretion in certain elements of any benchmark replacement process, including determining if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, determining which benchmark replacement is available and, if applicable, selecting an Unadjusted Benchmark Replacement, determining the Benchmark Replacement Adjustment and making Benchmark Replacement Conforming Changes. The noteholders will not have any right to approve or disapprove of these changes and will be deemed to have agreed to waive and release any and all claims relating to any such determinations. See "DESCRIPTION OF THE NOTES—Interest Payments." Because the administrator is affiliated with the sponsor, the exercise of any discretion by the administrator in connection with the foregoing may present a potential or actual conflict of interest. The occurrence and implementation of a Benchmark Transition Event also may have certain adverse U.S. federal income tax consequences to the noteholders. See the captions "DESCRIPTION OF THE NOTES—Interest Payments—*Benchmark Transition Event*" and "CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS—Sale or Exchange of Notes" herein.

Any of the above matters or any other significant change to the setting or existence of the SOFR Rate or any successor benchmark for the notes could affect the amounts available to the trust to meet its obligations under the notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the notes.

Ratings of the sponsor and other student loan asset-backed notes issued by affiliates of the sponsor may be reviewed or downgraded

Nelnet, through its subsidiaries, has historically funded student loans by completing asset-backed securitizations. In August 2011, S&P Global Ratings ("S&P") downgraded the long-term credit rating of the United States of America (the "U.S."). Subsequent and related to that downgrade, S&P downgraded to "AA+" many senior FFELP student loan asset-backed notes which were previously rated "AAA," including certain senior FFELP student loan asset-backed notes issued in securitizations sponsored by Nelnet. In August 2011 and November 2011, Moody's and Fitch Ratings, Inc. ("Fitch"), respectively, affirmed their respective "Aaa" and "AAA" ratings of the long-term debt of the U.S., but revised their Outlooks from Stable to Negative. Subsequently, Fitch revised its Outlook to Negative on all "AAA" rated FFELP student loan asset-backed notes. In Fitch's view, the rating on FFELP student loan asset-backed notes is directly linked to the long-term debt rating of the U.S., since the underlying collateral is guaranteed by the U.S. Department of Education, which carries the full faith and credit of the U.S. government. In addition, in December 2012, Moody's issued a report indicating that their Outlook remained Negative for FFELP student loan securitizations and that fiscal challenges for the U.S. government will continue to be the key risk for securitizations backed by loans originated under FFELP. In July 2013 and March 2014, Moody's and Fitch, respectively, affirmed their respective "Aaa" and "AAA" ratings of the long-term debt of the U.S., and each moved its Outlook back to Stable. Also, in March 2014, Fitch revised its Outlook to Stable on all "AAA" rated FFELP student loan asset-backed notes.

More recently, on May 16, 2025, Moody's downgraded the long-term credit rating of the U.S. to "Aa1" from "Aaa" and changed the outlook from stable to negative. Subsequent and related to that downgrade, Moody's placed under review multiple FFELP student loan asset-backed notes and later downgraded the ratings of 153 FFELP student-loan asset backed notes issued by 81 securitizations (including certain securitizations sponsored by Nelnet). Moody's stated that the ratings action was primarily driven by the downgrade of the long-term credit rating of the U.S., noting that the creditworthiness of the U.S. government has a large impact on the credit quality of FFELP securitizations. On November 6, 2025, Fitch took rating actions on 71 FFELP student-loan asset backed notes issued under various securitization transactions sponsored or acquired by Nelnet, affirming the ratings of 62 tranches, downgrading nine tranches and revising the outlook on various of those 71 tranches. It is possible that another nationally recognized statistical rating organization may downgrade the long-term credit rating of the U.S. The impact of such additional or further downgrades or other events could lead to additional downgrades of the ratings of FFELP student-loan asset backed notes. This impact could have a material adverse effect on the value or liquidity of, and the amount payable under, the notes.Further, other student loan asset-backed notes sponsored by Nelnet as well as others were downgraded in connection with rating agencies revising their methodologies with respect to failed auction rate securities, basis risk and loan default expectations, among other factors, and in connection with slower than expected principal payments and prepayments on underlying student loans and increases in forbearance that occurred as the result of the COVID-19 pandemic.

The unsecured corporate credit ratings of the sponsor, Nelnet, are "Ba1" and "BBB" by Moody's and DBRS, Inc., respectively, both of which currently have a stable outlook. Ratings actions may take place at any time, including between the pricing date and the closing date of the notes offered by this Offering Memorandum. We cannot predict the timing of any ratings actions.

Further adverse action by the rating agencies regarding the U.S., Nelnet or securities issued previously by Nelnet-sponsored trusts may adversely affect the market value of the notes or any secondary market for the notes that may develop.

Subordination of the class B notes and the sequential payment of principal on the class A notes may result in a greater risk of loss for holders of class B notes and the class A-2 notes

Payments of interest on the class B notes are subordinated in priority of payment to payments of interest on the class A notes and to payments due to counterparties under derivative product agreements (other than certain termination payments). Similarly, payments of principal on the class B notes are subordinated to payments of interest and principal on the class A notes. Principal on the class B notes will not be paid until the class A notes have been paid in full. Thus, investors in the class B notes will bear a greater risk of loss than the holders of class A notes. Investors in the class B notes will also bear the risk of any adverse changes in the anticipated yield and weighted average life of their class B notes resulting from any variability in payments of principal or interest on the class B notes.

The class B notes are subordinated to the class A notes as to the direction of remedies upon an event of default, an administrator default or a master servicer default. In addition, as long as any of the class A notes are outstanding, the failure to pay interest or principal on the class B notes will not constitute an event of default under the indenture. Consequently, holders of the class B notes may bear a greater risk of losses or delays in payment than holders of class A notes.

Except in the case of an event of default and an acceleration of the maturity of the notes, no principal will be paid on the class A-2 notes until all principal due on the class A-1 notes has been paid in full. Consequently, holders of the class A-2 notes may bear a greater risk of losses or delays in payment of principal than holders of the class A-1 notes.

Retention of the class B notes may reduce the liquidity of such class of notes

All of the class B notes will be acquired by a trust affiliate on the closing date. All or a portion of such retained notes could subsequently be sold in the secondary market at varying prices from time to time. If a portion of a class of notes is sold, the market for that class of notes may be less liquid than would be the case if all of the notes of such class are sold and the demand and market price for other notes of such class already in the market could be adversely affected.

Holders of the class B notes may be required to accrue original issue discount as income for tax purposes before they receive cash attributable to such original issue discount

All of the class B notes will be acquired by a trust affiliate on the closing date. To the extent that a class B note sold after the closing date by a trust affiliate is treated as issued for U.S. federal income tax purposes on its date of sale, it is unknown on the closing date whether such retained note would be treated as issued at par, a de minimis discount from par or with OID based on its initial offering price to the public on the date of sale. In any event, with respect to the class B notes, they may be treated as issued with OID due to the possibility of interest deferral under the terms of the class B notes. Any such OID would be in addition to any OID on the class B notes, if any, based on their initial offering price to the public when the class B notes are treated as issued for U.S. federal income tax purposes. However, absent official guidance on this point, the trust does not intend to treat the possibility of interest deferral on the class B notes as creating OID, although it may revise such treatment in the future if it should determine a change to be appropriate. If the class B notes were to be treated as issued with OID, a pro rata portion of OID would be allocable to each day in any "accrual period" using a constant yield method under the Code that takes into account both the prepayment assumption used in pricing the class B notes and the actual prepayment experience. As a result, the amount of OID on the class B notes that would accrue in any given accrual period may either increase or decrease depending upon the actual prepayment rate and may increase due to any compounding of interest on the class B notes. No representation is made as to the actual rate at which the student loans in the trust estate will prepay or that the notes will prepay in accordance with any prepayment assumption. Such accrual of any OID could result in a holder of the class B notes being required to include such OID as income in advance of the receipt of cash attributable to such income regardless of the holder's method of accounting. Also, if losses on the student loans acquired by the trust exceed available credit support, some or all of this cash may not be received. See the caption "CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS—Taxation of Interest Income and Original Issue Discount" herein.

You may have difficulty selling your notes

There currently is no secondary market for the notes. We cannot assure you that any market will develop or, if it does develop, how long it will last. If a secondary market for the notes does develop, the spread between the bid prices and the asked prices for the notes may widen, thereby reducing the net proceeds to you from the sale of your notes. Under current market conditions, you may not be able to sell your notes when you want to do so or you may not be able to obtain the price that you wish to receive. The market values of the notes may fluctuate and movements in price may be significant.

From time to time, any existing secondary market for your notes may be adversely affected by periods of general market illiquidity or by events in the global financial markets in general or in the securitization market in particular. Accordingly, you may not be able to sell your notes when you want to do so or you may be unable to obtain the price that you wish to receive for your notes and, as a result, you may suffer a loss on your investment.

Additionally, recent events in the global financial markets may cause a reduction of liquidity in any existing secondary market for your notes. Specifically, global financial markets are experiencing increased volatility due to uncertainty surrounding the level and sustainability of the sovereign debt of various countries. Concerns regarding sovereign debt may spread to other countries at any time. There can be no assurance that these uncertainties will not lead to further disruption of the credit markets in the United States. Additionally, the exit of any country from the European Union or the abandonment by any country of the Euro would likely have a destabilizing effect on Eurozone countries and their economies and may have an adverse effect on the global economy as a whole. Accordingly, you may not be able to sell your notes when you want to do so or you may be unable to obtain the price that you wish to receive for your notes and, as a result, you could suffer a loss on your investment.

Because of the characteristics of the class B notes (including their subordination to the class A notes and to payments due to counterparties under any derivative product agreements (other than certain termination payments)), their marketability may be even more limited.

Bank failures may result in market disruption and adversely affect the notes

On March 10, 2023, the California Department of Protection and Innovation closed Silicon Valley Bank and appointed the FDIC as receiver following a major outflow of deposits from Silicon Valley Bank and its failure to raise new capital. This was the largest bank failure in the United States since 2008. On March 12, 2023, the New York State Department of Financial Services closed Signature Bank and appointed the FDIC as receiver after Signature Bank customers withdrew more than $10 billion in deposits at the bank. On May 1, 2023, the FDIC took control of First Republic Bank and substantially all of its assets were sold to JP Morgan Chase & Co, which also assumed First Republic Bank's deposits and certain other liabilities. Additionally, on April 26, 2024, Republic First Bank dba Republic Bank was closed by the Pennsylvania Department of Banking and Securities. The FDIC, as receiver, entered into an agreement with Fulton Bank, National Association of Lancaster, Pennsylvania to assume substantially all of the deposits and purchase substantially all of the assets of Republic First Bank.

The failure of such banks has resulted in concern regarding the health of other banking institutions and the ability of such institutions to withstand the economic conditions posed by rapid changes to interest rates, including a decline in value of securities and loan portfolios, and it is unclear if there will be additional bank failures. Any future bank failure may also result in market disruptions and, to the extent there is a failure of the indenture trustee, paying agent, Delaware trustee, or eligible lender trustee, such failure could result in delayed or reduced payments on the notes.

EU Securitization Regulation and UK Securitization Framework may affect the liquidity of the notes and the notes may not be suitable for investment by certain European Economic Area Regulated Investors and affiliates

EU Securitization Regulation

Regulation (EU) 2017/2402 of the European Parliament and of the Council of December 12, 2017 (as amended, the "EU Securitization Regulation") has direct effect in member states of the European

Union (the "EU") and, from August 1, 2025, in the non-EU European Economic Area (the "EEA") member states (being Iceland, Norway and Liechtenstein). Article 5 of the EU Securitization Regulation places certain conditions on investments in a "securitisation" (as defined in the EU Securitization Regulation), both prior to holding a "securitisation position" (as defined in the EU Securitization Regulation) and on an on-going basis (the "EU Due Diligence Requirements") by certain types of EU-regulated (or, as applicable, EEA-regulated) investors, including insurance undertakings, reinsurance undertaking, institutions for occupational retirement provision, investment managers and authorized entities appointed by such institutions, alternative investment fund managers that manage and/or market alternative investment funds in the EU (or, as applicable, in the EEA), management companies of undertakings for collective investment in transferable securities ("UCITS"), internally managed UCITS, credit institutions and investment firms, each as described in more detail in the EU Securitization Regulation. The EU Due Diligence Requirements also apply to investments by certain consolidated affiliates, wherever established or located, of entities that are subject to Regulation (EU) No 575/2013 (as amended) (such affiliates, together with all institutional investors referred to in this paragraph, "EU Affected Investors").

Among other things, the EU Due Diligence Requirements provide that, prior to investing in a securitization, an EU Affected Investor is required to verify that: (a) certain credit-granting requirements are satisfied; (b) the originator, sponsor or original lender retains on an ongoing basis a material net economic interest in the securitization which, in any event, will not be less than 5%, in accordance with the EU Securitization Regulation, and discloses that risk retention; and (c) the originator, sponsor or securitization special purpose entity has, where applicable, made available information in accordance with the EU Securitization Regulation.

None of the trust, the administrator, the sponsor, the initial purchasers, the other parties to the transaction described in this Offering Memorandum, or any of their respective affiliates, will undertake, or intends, to (i) retain a material net economic interest in such transaction in a manner that would satisfy the requirements of the EU Securitization Regulation or (ii) comply with any other requirements of the EU Securitization Regulation, including due diligence and monitoring, credit granting standards and transparency requirements.

In addition, no such person will undertake, or intends, to take any other action or refrain from taking any action prescribed or contemplated in the EU Securitization Regulation, or for purposes of, or in connection with, compliance by any EU Affected Investor or any other person with the EU Due Diligence Requirements or by any person with the requirements of any other law or regulation now or hereafter in effect in the EU or the EEA in relation to risk retention, due diligence and monitoring, credit granting standards, transparency or any other conditions with respect to investments in securitization transactions.

Consequently, the notes may not be a suitable investment for an EU Affected Investor. As a result, the price and liquidity of the notes in the secondary market may be adversely affected.

Failure by an EU Affected Investor to comply with the EU Due Diligence Requirements with respect to an investment in the notes may result in the imposition of a penalty regulatory capital charge on that investment or other regulatory sanctions and/or remedial measures being imposed or taken by such investor's competent authority.

Prospective investors are responsible for analyzing their own legal and regulatory position and are encouraged to consult with their own investment and legal advisors regarding the suitability of the notes for investment and the scope and applicability of, and compliance with, the EU Securitization Regulation.

UK Securitization Framework.

The Securitisation Regulations 2024 (SI 2024/102) (as amended), together with (i) the securitisation sourcebook of the handbook of rules and guidance adopted by the Financial Conduct Authority of the UK (as amended), (ii) the Securitisation Part of the rulebook of published policy of the Prudential Regulation Authority (as amended) and (iii) relevant provisions of the FSMA (as amended), set out the framework for the regulation of certain aspects of securitization in the UK (all together, the "UK Securitization Framework").

The UK Securitization Framework places certain conditions on investments in a "securitisation" (as defined in the UK Securitization Framework), both prior to holding a "securitisation position" (as defined in the UK Securitization Regulation) and on an on-going basis (the "UK Due Diligence Requirements") by certain types of UK-regulated investors, including insurance undertakings, reinsurance undertakings, the trustees or managers of occupational pension schemes, fund managers of such schemes, alternative investment fund managers that have permission under the FSMA for managing an alternative investment funds and which market or manage alternative investment funds in the UK or small registered UK alternative fund managers, UCITS, UCITS management companies, credit institutions and investment firms, each as described in more detail in the UK Securitization Framework. The UK Due Diligence Requirements also apply to investments by certain consolidated affiliates, wherever established or located, of entities that are subject to Regulation (EU) No 575/2013, as it forms part of the domestic law of the UK by virtue of the EUWA, and as amended (such affiliates, together with all institutional investors referred to in this paragraph, "UK Affected Investors").

Among other things, the UK Due Diligence Requirements provide that, prior to investing in a securitization, a UK Affected Investor is required to verify that: (a) except in specified cases, certain credit-granting requirements are satisfied; (b) the originator, sponsor or original lender retains on an ongoing basis a material net economic interest in the securitization which, in any event, will not be less than 5%, in accordance with the UK Securitization Framework, and discloses that risk retention; and (c) the originator, sponsor or securitization special purpose entity has made information available (and committed to make further information available) in accordance with the elements of the UK Securitization Framework to which the UK Affected Investor is subject.

None of the trust, the administrator, the sponsor, the initial purchasers, the other parties to the transaction described in this Offering Memorandum, nor any of their respective affiliates, will undertake, or intends, to (i) retain a material net economic interest in such transaction in a manner that would satisfy the requirements of the UK Securitization Framework or (ii) comply with any other requirements of the UK Securitization Framework, including due diligence and monitoring, credit granting standards and transparency requirements.

In addition, no such person will undertake, or intends, to take any other action or refrain from taking any action prescribed or contemplated in the UK Securitization Framework, or for purposes of, or in connection with, compliance by any UK Affected Investor or any other person with the UK Due Diligence Requirements or by any person with the requirements of any other law or regulation now or hereafter in effect in the UK in relation to risk retention, due diligence and monitoring, credit granting standards, transparency or any other conditions with respect to investments in securitization transactions.

Consequently, the notes may not be a suitable investment for a UK Affected Investor. As a result, the price and liquidity of the notes in the secondary market may be adversely affected.

Failure by a UK Affected Investor to comply with the UK Due Diligence Requirements with respect to an investment in the notes may result in the imposition of a penalty regulatory capital charge on that investment or other regulatory sanctions and/or remedial measures being imposed or taken by such investor's competent authority.

Prospective investors are responsible for analyzing their own legal and regulatory position and are encouraged to consult with their own investment and legal advisors regarding the suitability of the notes for investment and the scope and applicability of, and compliance with, the UK Securitization Framework.

The rate of payments on the trust student loans may affect the maturity and yield of the notes; approximately 11.51% of the principal amount of the student loans to be acquired by the trust are rehabilitation loans

Student loans may be prepaid at any time without penalty. If the trust receives prepayments on its student loans, those amounts will be used to make principal payments as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein, which could shorten the average life of the notes. Factors affecting prepayment of student loans include general economic conditions, prevailing interest rates and changes in the borrower's job, including transfers and unemployment. Refinancing opportunities that may provide more favorable repayment terms, including those that may be offered under potential government initiatives to consolidate or otherwise refinance existing FFELP loans to the Federal Direct Loan Program (the "Direct Loan Program"), also affect prepayment rates. For example, legislation has been proposed periodically that would allow eligible student loan borrowers with FFELP loans or private loans to refinance those student loans at lower interest rates currently offered to new borrowers, with refinanced FFELP loans to be fully paid and reissued as Direct Loan Program loans, and with borrower eligibility requirements to be established by the Department of Education based on income or debt-to-income financial need metrics. Also, as Congress and the President evaluate economic stimulus packages and proposals to reauthorize the Higher Education Act, the federal government may initiate additional student loan forgiveness (such as a broad debt cancellation program), and even if a broad debt cancellation program only applied to student loans held by the Department of Education, such program could result in a significant increase in consolidations of FFELP loans to federal Direct Loan Program loans and a corresponding increase in prepayments of the trust student loans. In addition, defaults on student loans owned by the trust result in guarantee payments being made on such student loans, which will accelerate the prepayment of the notes.

Approximately \$81,482,889.03 of the principal amount of the student loans (representing approximately 11.51% of the student loans by principal amount as of the statistical cut-off date) to be acquired by the trust are "rehabilitation loans," which are student loans that have previously defaulted, but for which the borrower thereunder has made a specified number of on-time payments as described in "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees—*Rehabilitation of Defaulted Loans*" hereto. Although rehabilitation loans benefit from the same guarantees as other FFELP student loans, rehabilitation loans have generally experienced re-default rates that are higher than default rates for FFELP student loans that have not previously defaulted. In making your investment decision, you should assume that the delinquencies, defaults and/or losses on rehabilitated student loans owned by the trust will be higher (and the timing of principal payments on such loans may be different) than would be expected with respect to FFELP student loans that were not rehabilitated. If a sufficient number of trust student loans again become delinquent or defaulted, you could suffer a loss of expected yield or a loss on your investment.

Scheduled payments with respect to, and the maturities of, student loans may be extended as authorized by the Higher Education Act. Also, periods of deferment and forbearance may lengthen the remaining term of the trust student loans and the average lives of the notes. In addition, borrowers under the trust student loans may enroll in income-based repayment plans, which may reduce the borrowers' monthly payments required to be made under the trust student loans and delay principal payments to you. See the caption "Repayment" in "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto.

The rate of principal payments on the notes to you will be directly related to the rate of payments on the trust student loans. Changes in the rate of prepayments may significantly affect your actual yield to maturity, even if the average rate of prepayments is consistent with your expectations. In general, the earlier a prepayment of a student loan, the greater the effect may be on your yield to maturity. The effect on your yield as a result of payments occurring at a rate higher or lower than the rate anticipated by you during the period immediately following the issuance of the notes may not be offset by a subsequent like reduction, or increase, in the rate of principal payments on the notes. You will bear entirely any reinvestment risks resulting from a faster or slower incidence of prepayment of the trust student loans.

Changes to the Higher Education Act and related federal budget provisions may affect your notes

Funds for payment of interest subsidy payments, special allowance payments and other payments under the FFELP are subject to annual budgetary appropriations by Congress. Prior to the partial federal government shutdowns which lasted from October 1, 2013 through October 16, 2013 and from December 22, 2018 to January 25, 2019, the Department of Education provided assurance that there would be minimal impact on schools, lenders, and Guaranty Agencies and their ability to administer the FFEL Program and the Direct Loan Program. However, if Congress were to fail to extend the statutory federal debt authorization ceiling or the federal budgetary process, or a federal government or departmental shutdown from any cause, were to otherwise constrain the Department of Education's financial resources, then there could be no assurance of the Department of Education's ability to administer the FFEL Program or to make full and timely payments as contractually due from it to all FFEL Program participants. Federal budget legislation has contained provisions that restricted payments made under the FFELP to achieve reductions in federal spending. Future federal budget legislation may adversely affect expenditures by the Department of Education, and the financial condition of Nelnet and its affiliates, other lenders, servicers and guaranty agencies.

Congressional amendments to the Higher Education Act or other relevant federal laws, and rules and regulations promulgated by the Secretary of Education, may adversely impact Nelnet and its affiliates, other lenders, servicers and guaranty agencies. For example, changes might be made to the rate of interest or special allowance payments paid on FFELP loans, to the level of insurance provided by guaranty agencies, or to the servicing requirements for FFELP loans. Such changes could have a material adverse effect on the trust's student loan operations or on the ability of Nelnet and its affiliates to service the trust student loans or to act as administrator, or otherwise to comply with their obligations under the transaction documents.

The Health Care and Education Reconciliation Act of 2010 (the "Reconciliation Act of 2010") discontinued new loan originations under the FFELP effective July 1, 2010, and required that all new federal loan originations be made through the Direct Loan Program. This law does not alter or affect the terms and conditions of existing FFELP loans. As a result of the Reconciliation Act of 2010, net interest income on Nelnet's existing FFELP loan portfolio, as well as fee-based revenue from third-party FFELP servicing and education loan software licensing and consulting fees, will decline over time as Nelnet and its customers' FFELP loan portfolios are paid down.

Potential Closure of the Department of Education and Changes to the FFEL Program

The current administration under President Trump is continuing its efforts to minimize the Department of Education. On March 20, 2025, President Trump signed an executive order which would allow the current Secretary of Education to take, to the maximum extent appropriate and permitted by law, "all necessary steps to facilitate the closure of the Department of Education and return authority over education to the States and local communities while ensuring the effective and uninterrupted delivery of services, programs, and benefits." After several legal actions, the United States Supreme Court has now cleared the way for the Department of Education to terminate nearly 1,400 employees. Dissolution of the Department of Education requires Congressional action.

Additionally, the One Big Beautiful Bill Act (the "OBBBA") was signed into law on July 4, 2025. The OBBBA makes certain changes to the FFELP loan program including (a) restricting future repayment options for FFELP loans and phasing out income contingent repayment plans, (b) eliminating the "partial financial hardship" requirement to enroll in income-based repayment plans and (c) implementing a new income driven repayment plan (the Repayment Assistance Plan). These changes will begin on July 1, 2026, with the elimination of income contingent repayment plans becoming effective July 1, 2028.

There can be no assurance whether (a) the actions by the current administration will be upheld by the federal court system, (b) legislation will be introduced by Congress to dissolve the Department of Education, (c) any further legislation impacting the Department of Education or any FFELP loans will be passed by Congress and enacted into law or (d) prepayments of trust student loans will increase as the result of borrowers consolidating their FFELP Loans into Direct Loan Program loans in order to take advantage of the Repayment Assistance Plan. Accordingly, no assurance can be given as to how these events may affect the trust, its respective operations and financial condition, the trust student loans and the notes.

Resumption of Collections on Defaulted FFELP Loans and Changes to SAVE Plan

On April 21, 2025, the Department of Education announced that it will authorize guaranty agencies to begin involuntary collections activities on FFELP loans. Prior to such date, in March 2021, the Department of Education had suspended collections on defaulted federally insured student loans held by guaranty agencies and reduced the interest rate on such loans to zero percent, effectively suspending interest payments in connection with the COVID-19 pandemic. Additionally, on July 9, 2025, the Department of Education announced that loans in the Saving on Valuable Education Plan (the "SAVE Plan") will begin accruing interest again on August 1, 2025, following a pause in interest accrual and forbearance during litigation, though SAVE Plan loans will remain in forbearance status. We cannot predict what impact, if any, the resumption of collections on defaulted federal student loans and the resumption of interest accrual on SAVE Plan loans will have on the trust, the trust student loans or the notes. There may be a delay in, or reduction of, collections on the trust student loans if borrowers are unable to pay all or a portion of their trust student loans due to borrowers electing to change from the SAVE Plan to another repayment plan and the resulting end of forbearance or resumed collections activity on federal student loans held by such borrowers or actions such as wage garnishment, which in turn could affect the repayment of the notes prior to their maturity.

Student loans may become fully dischargeable in bankruptcy as a result of changes in the law

The provision of the Bankruptcy Code (11 USC §523(a)(8)) that presumes student loans are nondischargeable in bankruptcy absent a finding of "undue hardship" on the debtor and their dependents has been criticized by members of Congress and numerous consumer advocacy groups. This has led to the introduction of legislation to review this dischargeability standard. It is impossible to predict whether any proposed legislation may become law or if any such bills are enacted, what impact they may have on the trust student loans or the notes.

If trust student loans become dischargeable by virtue of a change in the law, the discharge of a debt substantially reduces the likelihood of collection from borrowers. The availability of a bankruptcy discharge may result in distressed borrowers' increased willingness to default on the debt or declare bankruptcy.

Military service obligations, natural disasters and pandemics may cause a delay in payments to the trust

Military service obligations, natural disasters and pandemics may result in delayed payments from borrowers. Congress has enacted, and may enact in the future, statutes and other guidelines that provide relief to borrowers who enter active military service, to borrowers in reserve status who are called to active duty after the origination of their student loan, and to individuals who live in a disaster area or suffer a direct economic hardship as a result of a national emergency.

The number and aggregate principal balance of the student loans that may be affected by the application of these statutes and other guidelines will not be known at the time the notes are issued. If a substantial number of borrowers of the student loans become eligible for the relief under these statutes and other guidelines, or any actions Congress may take to respond to natural disasters or pandemics, there could be an adverse effect on the total collections on those student loans and the trust's ability to provide for payments of principal and interest on the notes.

The Servicemembers Civil Relief Act limits the ability of a lender under the FFELP to take legal action against a borrower during the borrower's period of active duty and, in some cases, during an additional three-month period thereafter, and may limit the interest rate on a student loan to 6% per annum while the borrower is in military service if the loan was incurred before the borrower's entry into military service.

We do not know how many student loans have been or may be affected by the application of the Servicemembers Civil Relief Act. Payments on student loans acquired by the trust may be delayed as a result of these requirements, which may reduce the funds available to the trust to pay principal and interest on the notes.

A failure or security breach of information technology infrastructure could adversely affect the trust student loans and the notes

Nelnet, its affiliates and their respective contractors depend on the secure, efficient, and uninterrupted operation of their respective computer systems, networks, software, data centers, cloud services providers, telecommunications systems, and the rest of their respective information technology infrastructure to process, monitor, store, and transmit large numbers of daily transactions, some of which contain personal, confidential, and other sensitive information, in compliance with contractual, legal, regulatory, and their own respective standards. Such systems and infrastructure could be disrupted because of a cyberattack, unanticipated spikes in transaction volume, extended power outages, telecommunications failures, process breakdowns, degradation or loss of internet or website availability, natural disasters, political or social unrest, and terrorist acts. A significant adverse incident could damage Nelnet's reputation and credibility, lead to customer dissatisfaction and loss of customers or revenue, and result in regulatory action, in addition to increased costs to service Nelnet's customers, including the borrowers on the trust student loans and protect Nelnet's network. Such an event could also result in large expenditures to repair or replace the damaged properties, networks, or information systems or to protect them from similar events in the future. System redundancy may be ineffective or inadequate, and Nelnet's business continuity plans may not be sufficient for all eventualities. Any significant loss of customers or revenue, or significant increase in costs of serving those customers, could adversely affect Nelnet's growth, financial condition, and results of operations. Although Nelnet takes protective measures it believes to be reasonable and appropriate, Nelnet's systems, networks, and software may be vulnerable to the increasingly numerous and more sophisticated cyberattacks, and its cybersecurity measures may not be entirely effective.

Information technology infrastructure risks continue to increase in part because of the proliferation of new technologies, the increased use of the internet and telecommunications technologies to support and process servicing and collection transactions, the increased number and complexity of transactions being processed, and increased instances of employees working from home and/or using personal computing devices. Also, cyberattack techniques change frequently, generally increase in sophistication, often are not recognized until launched, sometimes go undetected even when successful, and originate from a wide variety of sources, including organized crime, hackers, terrorists, activists, disgruntled customers or consumers, unapproved use of artificial intelligence ("AI") or machine learning, and hostile foreign governments. Attackers may also attempt to fraudulently induce employees, customers, or other users of Nelnet's systems to disclose sensitive information to gain access to Nelnet's data or that of its customers, including the borrowers on the trust student loans, such as through "phishing" schemes and other social engineering techniques. A breach, or perceived breaches, of Nelnet's information security systems, or the intentional or unintentional disclosure, alteration, or destruction by an authorized user of confidential information necessary for Nelnet's operations, could result in serious negative consequences for Nelnet or its affiliates.

Malicious and abusive activities, such as the dissemination of destructive or disruptive software, computer hacking, denial of service attacks, and ransomware or ransom demands to not expose confidential data or vulnerabilities in systems, have become more common. These activities could have material adverse consequences on Nelnet's network and its customers, including degradation of service, excessive call volume, and damage to our or Nelnet's customers' equipment and data. Although to date Nelnet has not experienced a material loss relating to cyberattacks or system outage, there can be no assurance that Nelnet will not suffer such losses in the future or that there is not a current threat that remains undetected at this time. Nelnet's risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats, and the size and scale of Nelnet's services.

Nelnet could also incur material losses resulting from the risk of unauthorized access to its computer systems, the execution of unauthorized transactions by employees, unapproved use of artificial intelligence or machine learning, errors relating to transaction processing and technology, breaches of the internal control system and compliance requirements, and failures to properly execute business resumption and disaster recovery plans. In the event of a breakdown in the internal control system, improper operation of systems, or unauthorized employee actions, Nelnet could suffer material financial loss, potential legal actions, fines, or civil monetary penalties that could arise as a result of an operational deficiency or as a result of noncompliance with applicable regulatory standards, adverse business decisions or their implementation, and customer attrition due to potential negative publicity and damage to Nelnet's reputation. Even though Nelnet maintains insurance coverage to offset costs related to incidents such as a cyberattack, information security breach, or extended system outage, this insurance coverage may not cover all costs of such incidents.

If any of the foregoing events or factors were to (i) cause certain provisions of the trust student loans to be unenforceable against the borrowers, (ii) otherwise create liability of the trust to the borrowers with respect to data breaches or (iii) otherwise have a material adverse effect on the operation of Nelnet's student loan programs, the ability of the trust to make principal and interest payments on the notes may be adversely affected.

The use of artificial intelligence may result in reputational or competitive harm, legal liability and other adverse effects on business

Nelnet and its affiliates have incorporated AI into certain aspects of their business, including assistance with handling customer inquiries, quality assurance monitoring, optical character recognition for processing and handling images, and monitoring network traffic. These advancements have significantly enhanced the efficiency and effectiveness of their respective operational processes, enabling faster identification and response to unique irregularities while improving Nelnet's overall customer experience. As Nelnet and its affiliates continue to refine and expand their AI-driven initiatives, Nelnet expects these technologies to further optimize the operations of Nelnet and its affiliates and drive continued improvements in their respective performance. Additionally, some of Nelnet's vendors use AI to enhance their products and services. The use of AI by Nelnet, its affiliates and its respective vendors may increase over time as the technology continues to develop. Nelnet's competitors may incorporate AI into their products or operations more quickly and effectively than Nelnet does, which could impair Nelnet's ability to compete effectively.

The use of AI carries inherent risks related to data privacy and security, such as intended, unintended, or inadvertent transmission of proprietary, personal, or sensitive information, as well as challenges related to implementing and maintaining AI tools, such as developing and maintaining appropriate datasets. Ineffective or inadequate use of AI by Nelnet, its affiliates or vendors could produce deficient, inaccurate, or biased analyses or customer responses and prevent Nelnet from detecting quality or network security issues. Any of the foregoing could result in regulatory action, loss of confidence from government clients and other customers, legal liability, and reputational harm and adversely impact Nelnet's business, financial condition, results of operations, and prospects and, to the extent relating to the trust student loans or the borrowers, adversely impact the trust's ability to make payments of principal and interest on the notes.

Nelnet and its affiliates are also subject to existing legal and regulatory frameworks that apply to AI. Federal regulators, such as the Federal Trade Commission and CFPB, have issued guidance on the ethical use of AI under existing laws, emphasizing the importance of fairness, transparency, and accountability in AI applications. Furthermore, comprehensive privacy laws, such as the California Consumer Privacy Act, include provisions that address regulating automated decision-making and profiling. In addition to existing regulations, there is increased attention to the enactment of new AI-specific laws. For instance, Colorado's AI Act and Utah's AI Policy Act establish governance frameworks that address ethical use, accountability, and transparency of certain AI systems. These developments reflect a growing trend among states to explicitly regulate AI technologies and their applications.

It is currently unclear what approach the Trump Administration will take with respect to AI. Future legislation on AI could prevent or limit Nelnet's use of AI, require Nelnet to change our business practices, or lead to legal liability or regulatory action. We cannot predict how legal and regulatory responses may affect the notes, however, the notes may be negatively impacted by such events.

An outbreak similar to the COVID-19 pandemic could adversely affect borrowers' ability to repay their student loans

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, spread globally, including throughout the United States, and was declared a pandemic by the World Health Organization in 2020. In response to the pandemic, international, federal, state and local governments, as well as private organizations, implemented numerous measures intended to mitigate the spread and effects of COVID-19. Individuals and businesses altered their behavior to adapt to such measures and to respond to the spread of COVID-19. The spread of any illness similar to COVID-19 and its variants, the mitigation measures implemented, including potential business closures, travel restrictions, and workforce reductions and furloughs, and related behavioral adaptations could cause disruption in global, national, and local economies, as well as global financial markets, and significant volatility in the U.S. capital markets.

We cannot predict any pandemic's long-term economic effects, including its effects on borrowers. Additional outbreaks of COVID-19 and its variants or other illnesses and further actions or extensions of actions taken to limit such outbreaks and their economic effects could lead to further disruptions in economic activities, the financial markets, and the global economy in general. As a result, there may be a delay in, or reduction of, collections on trust student loan collections that might materially and adversely affect the ability of the trust to pay the principal of and interest on the notes as and when due.

The extent, if any, to which a future pandemic may affect the notes will largely depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the pandemic and the actions taken to contain it or alleviate its effects. Any pandemic relief measures that may be required by law or voluntarily implemented by the trust and that are applicable to the trust student loans would be expected to result in a delay in the receipt of, or in a reduction of, the revenues received from the trust student loans. The trust cannot accurately predict the number of its student loan borrowers that would utilize any benefit program that requires borrower action. The greater the number of borrowers that utilize any relief measures, the lower the total current loan receipts on the trust student loans. If actual receipt of revenues or actual administrative expenditures were to vary materially from those projected, the ability of the trust estate to provide sufficient revenues to fund interest and administrative costs and to amortize the notes might be adversely affected. We cannot predict how legal and regulatory responses to a pandemic and related economic problems may affect the trust or the notes, however, the trust or the notes may be negatively impacted by such events.

The Higher Education Relief Opportunities for Students Act of 2003 may result in delayed payments from borrowers

The Higher Education Relief Opportunities for Students Act of 2003 (the "HEROS Act") authorizes the Secretary of Education to waive or modify any statutory or regulatory provisions applicable to student financial aid programs under Title IV of the Higher Education Act as the Secretary deems necessary for the benefit of "affected individuals" who:

- are serving on active military duty or performing qualifying national guard duty during a war or other military operation or national emergency;

- reside or are employed in an area that is declared by any federal, state or local office to be a disaster area in connection with a national emergency; or

- suffered direct economic hardship as a direct result of war or other military operation or national emergency, as determined by the Secretary.

The Secretary is authorized to waive or modify any provision of the Higher Education Act to ensure that:

- such recipients of student financial assistance are not placed in a worse financial position in relation to that assistance;

- administrative requirements in relation to that assistance are minimized;

- calculations used to determine need for such assistance accurately reflect the financial condition of such individuals;

- provision is made for amended calculations of overpayment; and

- institutions of higher education, eligible lenders, guaranty agencies and other entities participating in such student financial aid programs that are located in, or whose operations are directly affected by, areas that are declared to be disaster areas by any federal, state or local official in connection with a national emergency may be temporarily relieved from requirements that are rendered infeasible or unreasonable.

The number and aggregate principal balance of student loans that may be affected by the application of the HEROS Act is not known at this time. Accordingly, payments we receive on student loans made to a borrower who qualifies for such relief may be subject to certain limitations. If a substantial number of borrowers become eligible for the relief provided under the HEROS Act, there could be an adverse effect on the total collections on the trust student loans and our ability to pay principal and interest on the notes.

Different rates of change in interest rate indexes may affect our cash flow

The interest rates on the notes may fluctuate from one interest accrual period to another in response to changes in the SOFR Rate. The student loans that will be financed with the proceeds from the sale of the notes bear interest either at fixed rates or at rates which are generally based upon the bond equivalent yield of the 91-day U.S. Treasury Bill rate. In addition, the student loans may be entitled to receive special allowance payments from the Department of Education that are currently based upon the 91-day U.S. Treasury Bill rate or the 30-day Average SOFR, adjusted daily by adding the tenor spread adjustment of 0.11448 percent. The use of 30-day Average SOFR replaced one-month LIBOR for calculating special allowance payments for such loans as the result of the amendment to the Higher Education Act by the Adjustable Interest Rate (LIBOR) Act. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto and the caption "CHARACTERISTICS OF THE STUDENT LOANS" herein. Any volatility in SOFR could lead to increased basis risk associated with the notes.

If there is a decline in the rates payable on student loans held in the trust estate, the amount of funds representing interest deposited into the Collection Fund may be reduced. If the interest rates payable on the notes do not decline in a similar manner and time, the trust may not have sufficient funds to pay interest on the notes when due. Even if there is a similar reduction in the rates applicable to the notes, there may not necessarily be a reduction in the other amounts required to be paid out of the trust, such as administrative expenses, causing interest payments to be deferred to future periods. Similarly, if there is a rapid increase in the interest rates payable on the notes without a corresponding increase in rates payable on the student loans, the trust may not have sufficient funds to pay interest on the notes when due. Sufficient funds may not be available in future periods to make up for any shortfalls in the current payments of interest on the notes or expenses of the trust estate. In addition, if the SOFR Rate is no longer available, the interest rate on the notes will bear interest based upon a replacement index as described under the caption "DESCRIPTION OF THE NOTES—Interest Payments—*Benchmark Transition Event*" herein.

For FFELP loans disbursed prior to April 1, 2006, lenders are entitled to retain interest income in excess of the special allowance support level in instances when the loan rate exceeds the special allowance support level. However, lenders are not allowed to retain interest income in excess of the special allowance support level on FFELP loans disbursed on or after April 1, 2006, and are required to rebate any such "excess interest" to the federal government on a quarterly basis. This modification effectively limits lenders' returns to the special allowance support level and could require a lender to rebate excess interest accrued but not yet received. For fixed rate loans, the excess interest owed to the federal government will be greater when the 30-day Average SOFR or 91-day U.S. Treasury Bill rates are relatively low, causing the special allowance support level to fall below the FFELP loan rate. There can be no assurance that such factors or other types of factors will not occur or that, if they occur, such occurrence will not materially adversely affect the trust's ability to pay the principal of and interest on the notes, as and when due. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Special Allowance Payments" hereto.

The timing of changes in the interest rates payable on the notes as compared to the trust student loans may affect our cash flow

The interest rates payable on all of the student loans held in the trust estate are fixed rates, with special allowance payments that reset on a daily basis, while the interest rates payable on the notes reset on a monthly basis. In a declining interest rate environment, the differences in the timing of the interest rate resets may lead to a compression of the spread between the amount of student loan interest the trust receives and the amount of interest we pay on our notes. In a rising interest rate environment, the spread may increase. If the spread between the amount of student loan interest we receive and the amount of interest we pay on our notes compresses, we may not have sufficient funds available in future periods to pay the expenses of the trust estate and interest and principal on the notes.

In the event of an early termination of a derivative product due to certain termination events, the trust may be required to make a large termination payment to the counterparty

Although the trust is not entering into any derivative products on the closing date, it may do so in the future upon satisfaction of the rating agency condition. If a termination event occurs under such a derivative product and the trust owes a counterparty a large termination payment that is required to be paid pro rata with interest due on the notes, the trust may not have sufficient funds on that or future monthly distribution dates to make required payments of interest or principal, and the holders of the notes may suffer a loss.

A derivative product agreement entered into by the trust may contain provisions that subordinate termination payments due to a counterparty to other obligations of the trust if the derivative product agreement terminates due to the counterparty's bankruptcy. On January 25, 2010, the United States Bankruptcy Court for the Southern District of New York ruled that provisions in an indenture subordinating payments due to Lehman Brothers Special Financing Inc. ("LBSFI"), as swap provider, constituted unenforceable ipso facto clauses under the facts and circumstances of that case. In the transaction relevant to the proceeding, a special purpose entity created by LBSFI, Saphir, that issued various series of credit-linked synthetic portfolio notes entered into a swap with LBSFI. The notes were backed by collateral held in trust for creditors of Saphir. Under the related documents with respect to amounts owed to LBSFI as a result of the termination of the swap, LBSFI's rights in the collateral held priority over the rights of certain of Saphir's creditors, including noteholders. However, upon an event of default, LBSFI's rights in the collateral became subordinated. LBSFI filed for bankruptcy on October 3, 2008, and Saphir terminated the swap agreement by notice to LBSFI on December 1, 2008, citing LBSFI's bankruptcy filing as the relevant event of default. The Court concluded that certain of the provisions of the swap agreement, including the subordination provisions, were unenforceable ipso facto clauses. While the ruling was limited to the particular facts at issue, including that the swap agreement did not include the subordination provisions within the four corners of the swap agreement or by reference, we cannot assure you that in the event of a bankruptcy of any credit enhancement provider that a bankruptcy court would uphold any similar subordination or other provisions in similar circumstances. If any credit enhancement provider is owed a swap termination payment in priority to noteholders, noteholders could incur significant losses.

The notes are not a suitable investment for all investors

The notes are not a suitable investment if you require a regular or predictable schedule of payments or payment on any specific date. The notes are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyze the prepayment, reinvestment, default and market risk, and tax consequences of an investment, as well as the interaction of these factors.

The notes are payable solely from the trust estate and you will have no other recourse against us

Interest and principal on the notes will be paid solely from the funds and assets held in the trust estate created under the indenture for the trust. No insurance or guarantee of the notes will be provided by any government agency or instrumentality, by any trust affiliate, by any insurance company or by any other person or entity. Therefore, your receipt of payments on the notes will depend solely on:

- the amount and timing of payments and collections on the student loans held in the trust estate and interest paid or earnings on the funds held in the accounts established pursuant to the indenture; and

- amounts on deposit in the Reserve Fund and other funds held in the trust estate.

You will have no additional recourse against any other party if those sources of funds for repayment of the notes are insufficient.

There will be no market valuation of the trust student loans

The trust student loans are not being acquired pursuant to a bidding process, and the acquisition price of the trust student loans is not based upon their fair market value as determined by any independent advisor, but will be based upon the principal of and accrued interest on the trust student loans.

The inability of the depositor, the master servicer or the subservicer to meet their purchase or repurchase obligations may result in losses on your investment

Under some circumstances, the trust has the right to require the depositor, the master servicer or the subservicer to purchase a student loan held by the trust. This right arises generally from a breach of the representations and warranties of the depositor, the master servicer or the subservicer, as applicable, that has a material adverse effect on the student loan if the breach is not cured within the applicable cure period. We cannot assure you that the depositor, the master servicer or the subservicer will have the financial resources to repurchase a student loan if a breach occurs. In this case, you may bear any resulting loss. See the captions "THE STUDENT LOAN OPERATIONS OF NELNET STUDENT LOAN TRUST 2025-1—Servicing of Student Loans" and "—Loan Purchase Agreements" herein.

Bankruptcy or insolvency of Nelnet Student Loan Funding III, LLC or the sellers of student loans could result in payment delays to you

Nelnet Student Loan Funding III, LLC will be the depositor and will sell to us all of the student loans acquired by the trust with the proceeds of the notes. The limited liability company agreement for Nelnet Student Loan Funding III, LLC contains certain requirements regarding its operations that are intended to reduce the possibility that Nelnet Student Loan Funding III, LLC would become bankrupt. The depositor also has an independent manager who will participate in some decisions regarding the depositor, such as a decision to seek bankruptcy relief under the bankruptcy or related laws. However, if Nelnet Student Loan Funding III, LLC should become a debtor in a bankruptcy action, the bankruptcy court could attempt to consolidate the assets of the trust into the bankruptcy estate of Nelnet Student Loan Funding III, LLC. If that occurs, you can expect delays in receiving payments on your notes and even a reduction in payments on your notes.

We also have taken steps to structure each student loan purchase by the depositor from a seller, and by us from the depositor, such that the student loans purchased should not be included in the bankruptcy estate of any seller or the depositor if any of them should become bankrupt. If a court disagrees with this position, we could experience delays in receiving payments on our student loans and you could then expect delays in receiving payments on your notes, or even a reduction in payments on your notes. A court could also subject the student loans to a superior tax or government lien arising before the sale of the student loans to us.

Bankruptcy or insolvency of NELN or the subservicer could result in payment delays to you

NELN will act as the master servicer with respect to the student loans acquired by the trust and will engage the subservicer to service such student loans. In the event of a default by the master servicer or the subservicer resulting from events of insolvency or bankruptcy, a court, conservator, receiver or liquidator may have the power to prevent the indenture trustee or the noteholders from appointing a successor master servicer or subservicer, and delays in collections of the student loans may occur. It may also be difficult to find another party to act as successor master servicer or subservicer, and the trust may have to increase the servicing fee in order to obtain such successor master servicer or subservicer. Any delay in the collections of student loans may delay payments to you.

A default by the master servicer could adversely affect the notes

If NELN defaults on its obligations under the master servicing agreement, the indenture trustee, the eligible lender trustee or the holders of more than 50% of the outstanding obligations of the trust may remove the master servicer without the consent of the eligible lender trustee or any other party. Only the indenture trustee, the eligible lender trustee or the holders of more than 50% of the obligations outstanding have the ability to remove the master servicer with respect to the notes. In the event of the removal of the master servicer and the appointment of a successor master servicer, there may be additional costs associated with the transfer of servicing to the successor master servicer, including, but not limited to, an increase in the servicing fees the successor master servicer charges. In addition, we cannot predict the ability of the successor master servicer to perform the obligations and duties under the master servicing agreement.

Timely payments on the notes rely in part on the servicing ability of the subservicer

Although the master servicer is obligated to cause the trust student loans to be serviced in accordance with the terms of the master servicing agreement and subservicing agreement, the timing of payments on the trust student loans will be directly affected by the ability of the subservicer to adequately service the trust student loans. Maintenance of the guarantors' guarantee obligations and the Department of Education's reinsurance obligations with respect to the trust student loans is dependent on the subservicer's compliance with federal regulations.

If the subservicer defaults on its servicing obligations and is terminated, the timing of payments on the trust student loans will depend on how quickly the master servicer is able to begin servicing those trust student loans itself or find an alternative subservicer to service the applicable trust student loans. In connection with any transfer of servicing, you may suffer a delay in the timing of payments on your notes until such transfer of servicing is completed and such disruption may also result in increased delinquencies, defaults and/or losses on the trust student loans.

If we do not receive timely payments on our student loans, we may not be able to pay your notes. You may also incur losses or delays in payment on your notes if borrowers default on their student loans

Collections on the student loans may vary greatly in both timing and amount from the payments actually due on the student loans for a variety of economic, social, demographic and other factors. Economic factors include interest rates, unemployment levels, housing price declines, commodity prices, adjustments in the borrower's payment obligations under other indebtedness incurred by the borrower, the rate of inflation and consumer perceptions of economic conditions generally. Social factors include changes in consumer confidence levels and changing attitudes in respect of incurring debt and changing attitudes regarding the stigma of personal bankruptcy. Economic conditions may also be impacted by global or localized economic or political conditions, political turmoil and civil unrest in the United States, political gridlock on United States federal budget matters (including full or partial prolonged or recurring government shutdowns), conflicts or wars, regional hostilities, including the war between Russia and Ukraine, escalating hostilities in the middle east, including between Israel and Iran, and the prospect or occurrence of more widespread conflicts, social upheaval, fiscal and monetary policies, sanctions, trade wars and tariffs, safety concerns related to travel and tourism, limitations on travel and mobility, disruptions in air travel and other forms of travel, visa limitations, weather events, environmental disasters, national or localized outbreaks of a highly contagious or epidemic disease or pandemics and any related quarantines and terrorist events or wars or a deterioration or improvement in economic conditions in one of the markets where borrowers of the trust student loans are concentrated. The trust is unable to determine and has no basis to predict to what extent social or economic factors will affect the trust student loans. As a result, we may not receive all the payments that are actually due on our student loans. Failures by borrowers to make timely payments of the principal and interest due on the student loans or an increase in deferments or forbearances could affect the revenues of the trust estate, which may reduce the amounts available to pay principal and interest due on the notes. In addition, borrowers under the trust student loans may enroll in income-based repayment plans, which may reduce the borrowers' monthly payments required to be made under the trust student loans and delay principal payments to you. See the caption "Repayment" in "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto. In addition, many of the student loans have been made to graduate and professional students, who generally have higher debt burdens than student loan borrowers as a whole. We cannot predict with accuracy the effect of these factors, including the effect on the timing and amount of funds available and the ability to pay principal and interest on the notes.

Recently there has been increased concern with economic instability in the United States resulting in part from the announcement of and possible implementation of widespread reciprocal tariffs. The number of delinquencies and defaults on consumer receivables is significantly influenced by the employment status of borrowers. There can be no assurance that high levels of unemployment or underemployment will not recur, or that other factors relating to the uncertain economic climate will not result in increased delinquencies and defaults with respect to consumer receivables in the future. Such adverse economic conditions may also materially impair the ability of Nelnet, the trust, their respective affiliates and the other transaction parties to meet their respective obligations under the transaction documents.

Additionally, unstable real estate values, resetting of adjustable rate mortgages to higher interest rates, increased regulation in the financial industry, political gridlock on United States federal budget matters, rating agency downgrades of U.S. Treasury bonds and other debt instruments backed by the full faith and credit of the United States, the sovereign debt crisis, inflation and continuing political and economic instability in Europe, the United States, China and other locations in the world and other factors have impaired access to consumer credit, consumer confidence and disposable income in the United States, and may affect delinquencies and defaults on the trust student loans, although the severity or duration of these effects are unknown.

Our cash flow, and our ability to make payments due on our notes, will be reduced to the extent interest is not currently payable on our student loans. The borrowers on most student loans are not required to make payments during the period in which they are in school and for certain authorized periods thereafter as described in the Higher Education Act. The Department of Education will make all interest payments while payments are deferred under the Higher Education Act on certain of the student loans. For most other student loans, interest generally will be capitalized and added to the principal balance of the student loans. The trust estate will include student loans for which payments are deferred as well as student loans for which the borrower is currently required to make payments of principal and interest. The proportions of the student loans in our portfolio for which payments are deferred and currently in repayment will vary during the period that the notes are outstanding.

It is impossible to predict the status of the economy or unemployment levels or when, if ever, a downturn in the economy would impair a borrower's ability to repay his or her trust student loans. General economic conditions may also be affected by other events including the prospect of increased hostilities abroad. Such events may also have other effects, the impact of which is impossible to project.

The amount of student loan debt has grown steadily over the last several years, reflecting rising costs of education. It is impossible to predict how this, when combined with a variety of economic, social and other factors and employment trends, might affect the timing and amount of payments received on the trust student loans.

In general, a guaranty agency reinsured by the Department of Education will guarantee 100% of each student loan first disbursed on or before October 1, 1993, 98% of each student loan first disbursed after October 1, 1993 but on or before June 30, 2006 and 97% of each student loan first disbursed on or after July 1, 2006. If a borrower of a student loan defaults and credit enhancement is not otherwise available, the trust will experience a loss of the unguaranteed portion of the outstanding principal and accrued interest on each of the defaulted student loans. We do not have any right to pursue the borrower for the remaining unguaranteed portion. Approximately $81,482,889.03 of the principal amount of the student loans (representing approximately 11.51% of the student loans by principal amount as of the statistical cut-off date) expected to be acquired by the trust are "rehabilitation loans," which are student loans that have previously defaulted, but for which the borrower thereunder has made a specified number of on-time payments as described in "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees—*Rehabilitation of Defaulted Loans*" hereto. Although rehabilitation loans benefit from the same guarantees as other FFELP student loans, rehabilitation loans have generally experienced re-default rates that are higher than default rates for FFELP student loans that have not previously defaulted. If defaults occur on the trust student loans and credit enhancement is not otherwise available, you may suffer a delay in payment or a loss on your investment.

Risk of geographic concentration of the student loans

The concentration of the student loans in specific geographic areas may increase the risk of losses on the student loans. Economic conditions in the states where borrowers reside may affect the delinquency, loan loss and recovery experience with respect to the student loans. As of the statistical cut-off date, approximately 9.54%, 9.45%, 8.98%, 6.52% and 5.65% of the student loans by principal balance were to borrowers with current billing addresses in the States of California, North Carolina, Texas, Florida and New York, respectively. See the table titled "Distribution of the Student Loans by Geographic Location (As of the Statistical Cut-off Date)" under the caption "CHARACTERISTICS OF THE STUDENT LOANS (As of the Statistical Cut-off Date)" herein. As of the statistical cut-off date, no other State accounts for more than 5.00% of the student loans by principal balance. Economic conditions in any state or region may decline over time and from time to time. Because of the concentrations of the borrowers in the States of California, North Carolina, Texas, Florida and New York any adverse economic conditions adversely and disproportionately affecting those states may have a greater effect on the performance of the notes than if these concentrations did not exist.

If the indenture trustee is forced to sell student loans after an event of default, you could realize losses on your notes

Generally, after an event of default, the indenture trustee is authorized to sell the trust student loans. However, the indenture trustee may not find a purchaser for the student loans. Also, the market value of the student loans plus the other assets in the trust estate might not equal the principal amount of the notes plus accrued interest. There may be fewer potential buyers for those student loans, and therefore prices available in the secondary market may decline. You may suffer a loss if the indenture trustee is unable to find purchasers willing to pay prices for the student loans sufficient to pay the principal amount of the notes plus accrued interest.

The notes may be repaid early due to an optional purchase. If this happens, your yield may be affected and you will bear reinvestment risk

The notes may be repaid before you expect them to be in the event of an optional purchase of the trust student loans. See the caption "DESCRIPTION OF THE NOTES—Optional Purchase" herein. Such an optional purchase would result in the early retirement of the notes outstanding on that date. If this happens, your yield on the notes may be affected and you will bear the risk that you cannot reinvest the money you receive in comparable notes at an equivalent yield.

Less than all of the noteholders can approve amendments to the indenture or waive defaults under the indenture

Under the indenture, holders of specified percentages of the aggregate principal amount of the notes and other obligations (including counterparties under derivative products) may amend or supplement provisions of the indenture and the notes and waive events of defaults and compliance provisions without the consent of the other noteholders. You have no recourse if such other noteholders vote in a manner with which you do not agree. The other noteholders may vote in a manner which impairs the ability to pay principal and interest on a noteholder's notes. Also, so long as the class A notes are outstanding, the holders of the class B notes will not have the right to exercise certain rights under the indenture.

The trust is permitted to take certain actions upon satisfying the rating agency condition

If the trust satisfies the rating agency condition it may, without having to obtain the consent of any noteholders, (i) enter into derivative products, (ii) replace the administrator, the master servicer or the subservicer, (iii) reduce the Reserve Fund minimum balance, (iv) acquire other investment securities and (v) increase certain fees. Satisfaction of the rating agency condition requires Moody's to provide a communication or a process demonstrating that a proposed action, failure to act, or other event specified therein, will not, in and of itself, result in a downgrade of its rating then applicable to the notes, or cause such rating agency to suspend, withdraw or qualify its rating then applicable to the notes. See the caption "GLOSSARY OF TERMS—Rating Agency Condition" herein.

Commingling of payments on student loans could prevent the trust from paying you the full amount of the principal and interest due on your notes

Payments received on the trust student loans generally are deposited into an account in the name of the subservicer each business day. However, payments received on the trust student loans will not be segregated from payments the subservicer receives on other student loans it services. Such amounts are transferred to the indenture trustee for deposit into the Collection Fund within two business days of receipt of such payments. Prior to the transfer of such funds, the subservicer may invest those funds for its own account and at its own risk. If the subservicer is unable to transfer such funds to the indenture trustee, noteholders may suffer a loss.

We expect to issue the notes only in book-entry form

We expect that the notes will be initially represented by certificates registered in the name of Cede & Co., the nominee for DTC, and will not be registered in your name or the name of your nominee. Unless and until definitive securities are issued, holders of the notes will not be recognized by the indenture trustee as registered owners as that term is used in the indenture and holders of the notes will only be able to exercise the rights of registered owners indirectly through DTC and its participating organizations. See the caption "BOOK-ENTRY REGISTRATION" herein.

The ratings of the notes are not a recommendation to purchase and may change

It is a condition to issuance of the notes that they be rated as described under the caption "SUMMARY OF TERMS—Rating of the Notes" herein. Ratings are based primarily on the creditworthiness of the underlying student loans, the amount of credit enhancement and the legal structure of the transaction. The ratings are not a recommendation to you to purchase, hold or sell the notes inasmuch as the ratings do not comment as to the market price or suitability for you as an investor. Ratings may be upgraded, downgraded or withdrawn by any rating agency if in the rating agency's judgment circumstances so warrant. A downgrade in the rating of your notes is likely to decrease the price a subsequent purchaser will be willing to pay for your notes. See the caption "Ratings of the sponsor and other student loan asset-backed notes issued by affiliates of the sponsor may be reviewed or downgraded" above.

There is the potential for conflicts of interest and regulatory scrutiny with respect to the rating agency rating the notes

Additionally, we note that it may be perceived that the rating agency rating the notes has a conflict of interest that may affect the ratings assigned to the notes where, as is the industry standard and the case with the ratings of the notes, the sponsor or the trust pays the fees charged by the rating agency for its rating services.

Furthermore, rating agencies have been and may continue to be under scrutiny by federal and state legislative and regulatory bodies and such scrutiny and any actions such legislative and regulatory bodies may take as a result thereof may also have an adverse effect on the price that a subsequent purchaser would be willing to pay for the notes and your ability to resell your notes.

The securitization conflicts of interest rule may impact securitization participants

On November 27, 2023, the SEC enacted Rule 192 pursuant to Section 27B of the Securities Act (the "Securitization Conflicts of Interest Rule") for the purpose of implementing a prohibition against a securitization participant's direct or indirect involvement in a transaction that would involve or result in a material conflict of interest with any investor, subject to exceptions for risk-mitigating hedging activities, liquidity commitments and bona-fide market making activities. The Securitization Conflicts of Interest Rule became effective on February 5, 2024, and securitization participants are required to comply with the Securitization Conflicts of Interest Rule with respect to any asset-backed security, the first closing of the sale of which occurs on or after June 9, 2025. Under the Securitization Conflicts of Interest Rule, a "securitization participant" is an underwriter, placement agent, initial purchaser or sponsor of an asset-backed security or certain affiliates or subsidiaries of any such party. The Securitization Conflicts of Interest Rule also includes an "anti-evasion" provision, which prohibits a securitization participant from engaging in any transaction or series of related transactions that, although in technical compliance with the rule, is part of a plan or scheme to evade the prohibition of the rule. There remains uncertainty regarding the Securitization Conflicts of Interest Rule and its potential impact on securitization participants, including Nelnet and its applicable affiliates.

Rating agencies not hired to rate the notes may assign unsolicited ratings, which may differ from the ratings assigned by the hired rating agency

Pursuant to a rule adopted by the SEC aimed at enhancing transparency, objectivity and competition in the credit rating process, Nelnet will make available to each nationally recognized statistical rating organization (an "NRSRO") not hired to rate the notes the same information that Nelnet and the initial purchasers provide to each hired NRSRO in connection with determining or maintaining the credit ratings on the notes, including information about the characteristics of the underlying student loans and the legal structure of the notes. This could make it easier for NRSROs that are not hired to assign ratings to the notes, which ratings could differ from those assigned by each NRSRO hired to assign ratings to the notes described in this Offering Memorandum. NRSROs have different methodologies, criteria, models and requirements, which may result in ratings that are lower than those assigned by each hired NRSRO. Depending upon the level of the ratings assigned, what NRSROs are involved, what their stated reasons are for assigning a lower rating, and other factors, if a NRSRO issues a lower rating, the liquidity, market value and regulatory characteristics of a class of notes could be materially and adversely affected. Additionally, the mere possibility that such a rating could be issued may affect price levels in any secondary market that may develop. We cannot predict the occurrence or timing of any such ratings actions.

Our ability to pay principal and interest on the notes may be compromised if a counterparty defaults under an interest rate swap agreement

We may, upon satisfaction of the rating agency condition, in the future enter into interest rate swap agreements that are intended to mitigate the interest rate risk associated with the notes. If a payment is due to us under an interest rate swap agreement, a default by the counterparty may reduce the amount of funds available to us and thus our ability to pay the principal and interest on the notes. Moreover, our ability to pay principal and interest on the notes also may be adversely affected if the hedges under the interest rate swap agreements are not fully effective at mitigating the interest rate risk associated with the notes.

In addition, an early termination of an interest rate swap agreement may occur if either:

- the counterparty fails to make a required payment within any specified grace period of the date that payment was due; or
- the counterparty fails, within a specified number of days of the date on which the credit ratings of the counterparty or its credit support provider fall below the required ratings specified in the agreement, to:
  - obtain a replacement interest rate swap agreement with terms substantially the same as the existing agreement; or
  - establish any other arrangement satisfactory to the trust and the applicable rating organizations.

If an early termination occurs, we may no longer have the benefit of that interest rate swap agreement and we may not be able to enter into substitute interest rate swap agreements.

Incentive programs may affect your notes

The student loans purchased by the trust that are not "rehabilitation loans" are subject to various borrower incentive programs. Any incentive program that effectively reduces borrower payments or principal balances on trust student loans may result in the principal amount of trust student loans amortizing faster than anticipated.

In addition, if any such incentive programs not required by the Higher Education Act are in effect for student loans held in the trust estate on any monthly distribution date when the outstanding principal amount of the notes exceeds the value of the trust estate, either the trust or one of its affiliates will contribute funds to the trust in an amount equal to the principal or interest that otherwise would have been paid on such student loans in the absence of the borrower incentive programs, or the trust will notify the master servicer to notify the student loan borrowers that the borrower incentive programs have been terminated. If we notify the master servicer to provide notice of the termination of the borrower incentive programs, the master servicer may choose to contribute funds to the Collection Fund in an amount equal to the additional principal or interest that otherwise would have been paid on such student loans in the absence of the borrower incentive programs instead of providing notice of termination of the incentive programs. We cannot assure you that the master servicer will choose to contribute amounts required to reimburse the trust for the cost of such incentive programs. Additionally, we cannot assure you that, in the event money is not contributed to the trust and the master servicer terminates the incentive programs applicable to student loans in the trust, the affected student loan borrowers will not be successful in asserting a defense against the trust for payment of amounts attributable to the applicable incentive programs. If student loan borrowers are successful in asserting a defense, you will bear the risk of any loss resulting therefrom.

Conversely, the existence of these incentive programs may discourage borrowers from prepaying affected trust student loans. If this were to occur, the principal balance of your notes may be reduced over a longer period than would be the case if there were no such incentive programs. Furthermore, incentive programs may reduce the amount of funds available to make payments on your notes by reducing the principal balances and yield on the trust student loans. In that case, you will bear the risk of any loss not covered by available credit enhancement.

Student loans are unsecured and the ability of the guaranty agencies to honor their guarantees may become impaired

All student loans that we acquire and pledge to the trust estate will be unsecured. As a result, the only security for payment of a student loan is the guarantee provided by the guaranty agency. Payments of principal and interest are guaranteed by guaranty agencies to the extent described herein. See the caption "INFORMATION RELATING TO THE GUARANTY AGENCIES" herein.

A deterioration in the financial status of a guaranty agency and its ability to honor guarantee claims on defaulted student loans could result in a failure of that guaranty agency to make its guarantee payments to the eligible lender trustee in a timely manner. The financial condition of a guaranty agency can be adversely affected if it submits a large number of reimbursement claims to the Department of Education, which results in a reduction of the amount of reimbursement that the Department of Education is obligated to pay the guaranty agency. The Department of Education may also require a guaranty agency to return its reserve funds to the Department of Education upon a finding that the reserves are unnecessary for the guaranty agency to pay its program expenses or to serve the best interests of the federal student loan program. The inability of any guaranty agency to meet its guarantee obligations could reduce the amount of principal and interest paid to you as the owner of notes or delay those payments past their due date.

If the Department of Education has determined that a guaranty agency is unable to meet its guarantee obligations, the FFELP loan holder may submit claims directly to the Department of Education and the Department of Education is required to pay the full guarantee claim amount due with respect thereto. See the caption "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees" herein. However, the Department of Education's obligation to pay guarantee claims directly in this fashion is contingent upon the Department of Education making the determination that a guaranty agency is unable to meet its guarantee obligations. The Department of Education may not ever make this determination with respect to a guaranty agency and, even if the Department of Education does make this determination, payment of the guarantee claims may not be made in a timely manner.

Failure to comply with loan servicing procedures for FFELP loans may result in loss of guarantee and other benefits

We must meet various requirements in order to maintain the federal guarantee on our student loans. These requirements establish servicing requirements and procedural guidelines and specify school and borrower eligibility criteria.

A guaranty agency may reject a FFELP loan for claim payment due to a violation of the FFELP due diligence collection and servicing requirements. In addition, a guaranty agency may reject claims under other circumstances, including, for example, if a claim is not timely filed or adequate documentation is not maintained. Once a FFELP loan ceases to be guaranteed, it is ineligible for federal interest subsidies and special allowance payments. If a FFELP loan is rejected for claim payment by a guaranty agency, we continue to pursue the borrower for payment or institute a process to reinstate the guarantee. Guaranty agencies may reject claims as to portions of interest for certain violations of the due diligence collection and servicing requirements even though the remainder of a claim may be paid.

Examples of errors that cause claim rejections include isolated missed collection calls, or failures to send collection letters as required. Violations of due diligence collection and servicing requirements can result from human error. Violations can also result from computer processing system errors, or from problems arising in connection with the implementation of a new computer platform or the conversion of additional loans to a servicing system.

The Department of Education implemented school eligibility requirements, including default rate limits. In order to be eligible for the FFELP, schools must have maintained default rates below specified levels and both guaranty agencies and lenders were required to ensure that FFELP loans were made to students attending schools that met such default criteria. If we failed to comply with any of the above requirements, we could incur penalties or lose the federal guarantee on some or all of the trust student loans.

The trust's loan purchase agreement with the depositor requires the depositor to repurchase a trust student loans if the representations and warranties made by the depositor with respect thereto prove not to be true or if a claim for such trust student loan is denied because of events occurring before the sale. However, the depositor may not be financially able to repurchase student loans if called upon to do so. See the caption "The inability of the depositor, the master servicer or the subservicer to meet their purchase or repurchase obligations may result in losses on your investment" above.

If the trust or the subservicer fails to comply with the Department of Education's or state licensing or other regulations, payments on the notes could be adversely affected

The Department of Education regulates each lender and servicer of FFELP loans. Numerous states have implemented legislation requiring the licensing and regulation of student loan servicers. Under these regulations, a third-party servicer, including the subservicer, is jointly and severally liable with its client lenders (including the trust and the eligible lender trustee) for liabilities to the Department of Education arising from its violation of applicable requirements. Liabilities are also imposed for violations of state servicer licensing laws. In addition, if any lender or servicer fails to meet standards of financial responsibility or administrative capability included in the regulations, or violates other requirements, the Department of Education may impose penalties or fines and limit, suspend, or terminate the lender's eligibility to participate in or the servicer's eligibility to contract to service loans originated under the FFELP.

If the trust (or the eligible lender trustee) or any of its affiliates were so fined, or their FFELP eligibility were limited, suspended or terminated, payment on the notes could be adversely affected. If the subservicer were so fined or held liable, or its eligibility was limited, suspended, or terminated, its ability to properly service the student loans and to satisfy its obligation to purchase student loans with respect to which it has breached its representations, warranties or covenants could be adversely affected. In addition, if the Department of Education terminates the subservicer's eligibility, a servicing transfer will take place and there may be delays in collections and temporary disruptions in servicing. Any servicing transfer may temporarily adversely affect payments to you.

The characteristics of the portfolio of the trust student loans may change

The characteristics of the pool of student loans expected to be pledged to the trustee under the Indenture are described herein as of the statistical cut-off date. The actual characteristics of the entire pool of student loans may vary from the information presented herein, since the information presented herein is as of the statistical cut-off date, and the date that the trust student loans will be pledged to the trustee under the indenture will occur after that date.

If the principal amount of student loans required to provide collateral for the notes varies from the amounts described herein, whether by reason of a change in the collateral requirement of the rating agency, the rate of amortization or prepayment on the portfolio of student loans from the statistical cut-off date to the date of issuance varying from the rates that were anticipated, or otherwise, the portfolio of student loans to be pledged to the trustee under the indenture may consist of a subset of the pool of student loans described herein or may include additional student loans not described under "CHARACTERISTICS OF THE STUDENT LOANS" herein.

We and the depositor believe that the information set forth in this Offering Memorandum with respect to the pool of student loans as of the statistical cut-off date is representative of the characteristics of the pool of student loans as they will exist on the date of issuance for the notes. However, you should consider potential variances when making your investment decision concerning the notes. See the caption "CHARACTERISTICS OF THE STUDENT LOANS" herein.

Offset by guaranty agencies or the Department of Education could reduce the amounts available for payment of your notes

The eligible lender trustee will use a Department of Education lender identification number that will also be used for other FFELP loans held by the eligible lender trustee on behalf of the trust and other trusts owned or created by the depositor or its affiliates. The billings submitted to the Department of Education will be consolidated with the billings for payments for all FFELP loans held by the eligible lender trustee on behalf of the trust and the other trusts owned or created by the depositor or its affiliates, and payments on the billings will be made by the Department of Education or the guaranty agency to the eligible lender trustee in lump sum form. These payments will be allocated by the eligible lender trustee among the various FFELP loans held under the same lender identification number pursuant to a joint sharing agreement among EFS Finance Co., LLC, Nelnet Student Loan Funding II, LLC, the depositor, each trust owned or established by the depositor or its affiliates, the administrator, the indenture trustee and the eligible lender trustee. See the caption "NELNET STUDENT LOAN TRUST 2025-1—Eligible Lender Trustee" herein.

If the Department of Education or a guaranty agency determines that the eligible lender trustee owes a liability to the Department of Education or the guaranty agency on any student loan for which the eligible lender trustee is legal titleholder, the Department of Education or the guaranty agency might seek to collect that liability by offsetting against payments due the eligible lender trustee under the indenture. This offsetting or shortfall of payments due to the eligible lender trustee could adversely affect the amount of available funds and the trust's ability to pay interest and principal on the notes. See the caption "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees" hereto.

The use of master promissory notes may compromise the indenture trustee's security interest in the student loans

Loans made under the FFELP may be evidenced by a master promissory note. Once a borrower executes a master promissory note with a lender, additional FFELP loans made by the lender are evidenced by a confirmation sent to the borrower, and all such FFELP loans are governed by the single master promissory note.

A FFELP loan evidenced by a master promissory note may be sold independently of the other FFELP loans governed by the master promissory note. If the trust purchases a FFELP loan governed by a master promissory note and does not acquire possession of the master promissory note, other parties could claim an interest in the FFELP loan. This could occur if the holder of the master promissory note were to take an action inconsistent with the trust's rights to a FFELP loan, such as delivery of a duplicate copy of the master promissory note to a third party for value. Although such action would not defeat the trust's rights to the FFELP loan or impair the security interest held by the indenture trustee for your benefit, it could delay receipt of principal and interest payments on the FFELP loan.

Cash flows to the trust may be affected by natural disasters or pandemics

Student loan borrowers in regions affected by natural disasters or pandemics may experience difficulty in timely payment of their student loans. This could reduce the funds available to the trust to pay principal and interest on the notes.

NELNET STUDENT LOAN TRUST 2025-1

General

Nelnet Student Loan Trust 2025-1 is a Delaware statutory trust formed by Nelnet Student Loan Funding III, LLC pursuant to a trust agreement, which will be amended and restated prior to the issuance of the notes, by and between Nelnet Student Loan Funding III, LLC, as depositor and initial certificate holder, and U.S. Bank Trust National Association, as Delaware trustee, for the transactions described in this Offering Memorandum. The assets of the trust will include student loans the trust acquires, investments that are pledged to the indenture trustee, the payments received on those student loans and investments and any payments the trust has received under any derivative product agreements. The trust was created for the purpose of facilitating the financing of student loans and other financial assets, and to engage in activities in connection therewith. The trust will not engage in any activity other than:

- acquiring, holding and managing the student loans and the other assets of the trust, and the proceeds therefrom;
- issuing the notes; and
- engaging in other activities related to the activities listed above.

Nelnet Student Loan Funding III, LLC will hold all of the equity interests in the trust. See the caption "CREDIT RISK RETENTION" herein. The mailing address for Nelnet Student Loan Funding III, LLC is 121 South 13th Street, Suite 100, Lincoln, Nebraska 68508 and its telephone number is (402) 458-2370. The trust's fiscal year ends on December 31.

The notes will be secured by the trust's assets. The Collection Fund, the Acquisition Fund and the Reserve Fund will be maintained in the name of the indenture trustee for the benefit of the noteholders. The subservicer described below will act as custodian of the promissory notes and other documents with respect to the trust student loans.

Eligible Lender Trustee

U.S. Bank National Association ("U.S. Bank") is the eligible lender trustee for the issuing entity under an eligible lender trust agreement. In entering into the transaction documents in such capacity, U.S.

Bank is not acting in its individual capacity, but solely as eligible lender trustee. The eligible lender trustee will acquire on behalf of the issuing entity legal title to all of the student loans acquired under loan purchase agreements. The eligible lender trustee on behalf of the issuing entity has entered into a separate guarantee agreement with each of the guaranty agencies described in this Offering Memorandum with respect to the trust student loans. The eligible lender trustee qualifies as an eligible lender and the holder of the issuing entity's student loans for all purposes under the Higher Education Act and the guarantee agreements.

The liability of the eligible lender trustee in connection with the issuance and sale of the notes will consist solely of discharging the express obligations specified in the eligible lender trust agreement. The eligible lender trustee will not be personally liable for any actions or omissions that were not the result of its own bad faith, fraud, willful misconduct or gross negligence, as determined by a court of competent jurisdiction. The eligible lender trustee will be entitled to be indemnified by the issuing entity for any loss, liability or expense (including extraordinary out-of-pocket expenses, reasonable attorneys' fees and the fees of experts and agents) incurred by it in connection with the performance of its duties under the eligible lender trust agreement and the other transaction documents, the costs of defending any claim relating to the actions or inactions of the eligible lender trustee under the eligible lender trustee agreement and the costs of defending any claim or bringing any claim to enforce the indemnification obligations of the issuing entity, except for any loss, liability or expenses caused by the eligible lender trustee's bad faith, fraud, willful misconduct or gross negligence, as determined by a court of competent jurisdiction.

Pursuant to a joint sharing agreement among EFS Finance Co., LLC, Nelnet Student Loan Funding II, LLC, the depositor, each trust owned or established by the depositor or its affiliates, the administrator, the indenture trustee and the eligible lender trustee, if the Department of Education withholds payment or otherwise seeks reimbursement from the eligible lender trustee with respect to FFELP loans securing obligations of a trust owned or established by the depositor or its affiliates, such trust shall transfer an amount equal to the amount withheld or reimbursement paid to the Department of Education to the applicable trust from which payments owed by the Department of Education were withheld.

The eligible lender trustee may resign at any time by giving written notice to the trust. The trust may also remove the eligible lender trustee at any time upon payment to the eligible lender trustee of all moneys, fees and expenses then due it under the eligible lender trust agreement. Such resignation or removal of the eligible lender trustee and appointment of a successor will become effective only when a successor accepts its appointment.

The eligible lender trustee is acting as "eligible lender" with respect to the student loans as an accommodation to the trust and not for the benefit of any other party. Notwithstanding any responsibility that the eligible lender trustee may have to the Secretary of Education or any guaranty agency under the Higher Education Act, the eligible lender trustee will not have any responsibility for the trust's action or inaction, or any action or inaction of the indenture trustee or any other party in connection with the student loans and the documents, agreements, understandings and arrangements relating to the student loans.

Delaware Trustee

The Delaware trustee is U.S. Bank Trust National Association, a national banking association ("U.S. Bank Trust"). U.S. Bank Trust maintains an address at Delle Donne Corporate Center, 1011 Centre Road, Suite 203, Wilmington, Delaware 19805. U.S. Bank Trust is a wholly owned subsidiary of U.S. Bank National Association ("U.S. Bank N.A."), the fifth largest commercial bank in the United States.

U.S. Bancorp, with total assets exceeding $695 billion as of September 30, 2025, is the parent company of U.S. Bank. As of September 30, 2025, U.S. Bancorp operated over 2,000 branch offices in 26 states. A network of specialized U.S. Bancorp offices across the nation provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses, and institutions.

U.S. Bank Trust has provided owner trustee services since the year 2000. As of September 30, 2025, U.S. Bank Trust was acting as owner trustee with respect to over 1,100 issuances of securities. This portfolio includes mortgage-backed and asset-backed securities.

U.S. Bank Trust has provided the information in the immediately preceding three paragraphs. Other than the immediately preceding three paragraphs, U.S. Bank Trust has not participated in the preparation of, and is not responsible for, any other information contained in this Offering Memorandum.

THE SPONSOR, THE DEPOSITOR, AND THE MASTER SERVICER AND ADMINISTRATOR

The following summary provides a general description of the sponsor, the depositor, and the master servicer and administrator to be involved in the establishment of the trust and the issuance of the notes.

The Sponsor

Nelnet, a Nebraska corporation, is the sponsor of Nelnet Student Loan Trust 2025-1. Nelnet is a diversified hybrid holding company with primary businesses being in consumer lending, loan servicing, payments, and technology – with many of these businesses serving customers in the education space. The largest operating businesses engage in loan servicing and education technology, services, and payments. A significant portion of Nelnet's revenue is net interest income earned on a portfolio of FFELP loans. Nelnet also makes and manages investments to further diversify both within and outside of its historical core education-related businesses including, but not limited to, investments in a fiber communications company, early-stage and emerging growth companies (venture capital), real estate, reinsurance, and renewable energy (solar). Nelnet was formed in 1978 to service federal student loans for two local banks. Nelnet built on this initial foundation as a servicer to become a leading originator, holder, and servicer of federal student loans, principally consisting of FFELP loans. Nelnet's principal offices are located at 121 South 13th Street, Suite 100, Lincoln, Nebraska 68508, and its telephone number is (402) 458-2370.

Nelnet has four reportable operating segments, earning interest income on loans in its Asset Generation and Management ("AGM") and Nelnet Bank segments, both part of its Nelnet Financial Services ("NFS") division, and fee-based revenue in its Loan Servicing and Systems (referred to as Nelnet Diversified Services) and Education Technology Services and Payments (referred to as Nelnet Business Services) segments. Other business activities and operating segments that are not reportable and not part of the NFS division are combined and included in corporate activities.

Loan Servicing and Systems. Nelnet's Loan Servicing and Systems operating segment, which includes the operations of Nelnet Servicing, LLC ("Nelnet Servicing"), a wholly-owned, indirect subsidiary of Nelnet, provides servicing for student loans owned by the Department of Education (see the caption "THE STUDENT LOAN OPERATIONS OF NELNET STUDENT LOAN TRUST 2025-1—Nelnet, Inc.—Department of Education Servicing Contracts" herein), servicing for FFELP loans in Nelnet's student loan portfolio and the portfolios of third parties, and servicing for private education loans and consumer loans. The loan servicing activities include loan conversion activities, borrower updates, customer service, payment processing, due diligence procedures, funds management reconciliations, and claim processing. These activities are performed internally for Nelnet's portfolio, in addition to generating external fee revenue when performed for third party clients, including the Department of Education. Nelnet's loan servicing division uses proprietary systems to manage the servicing process. These systems provide for automated compliance with most of the federal student loan regulations adopted under Title IV of the Higher Education Act.

Education Technology Services and Payments. Nelnet's Education Technology Services and Payments operating segment is a service and technology company that operates as the following divisions: FACTS, Nelnet Campus Commerce, Nelnet Payment Services, and Nelnet International. Nelnet Business Services uses the FACTS brand in the K-12 private and faith-based education markets. FACTS provides solutions that elevate the K-12 educational experience for school administrators, teachers, and families. FACTS solutions include the administration of tuition payment plans, incidental billing, grant and aid assessment services, payment forms, advanced accounting, a donation platform, a student information system (SIS) platform, application and enrollment services, teacher observance and assessment services, a learning management platform, and customized professional development and coaching services. Nelnet Business Services uses the Nelnet Campus Commerce brand to offer payment technologies to higher education institutions. Nelnet Campus Commerce services include the administration of tuition payment plans, billing and payment services that allow schools to send automated bills for tuition and fees, and integrated commerce solutions to help schools maintain revenue sources across campuses. Nelnet Payment Services supports and provides secure payment processing services, including credit card and electronic transfers. The majority of this segment's customers are located in the United States; however, Nelnet also provides services and technology as part of its Nelnet International division primarily in Australia, New Zealand, and the Asia-Pacific region.

Asset Generation and Management, Including Student Loan Acquisitions. Nelnet's Asset Generation and Management operating segment includes the acquisition, management, and ownership of Nelnet's loan assets (excluding loan assets held by Nelnet Bank), consisting primarily of its FFELP loan portfolio. As of June 30, 2025, this segment's aggregate loan portfolio was $8.9 billion, $8.4 billion of which consisted of FFELP loans. Nelnet generates a substantial portion of its earnings from the spread between the yield it receives on its loan portfolio and the associated costs to finance such portfolio. The loan assets are held in a series of lending subsidiaries and associated securitization trusts designed specifically for this purpose. Trust indentures and other financing agreements governing debt issued by the lending subsidiaries generally have limitations on the amounts of funds that can be transferred to Nelnet by its subsidiaries through cash distributions at certain times.

Nelnet's Capital Markets and Portfolio Administration departments provide financing options to fund its student loan portfolio. Periodically, Nelnet evaluates the composition of its student loan assets together with the state of the securitization market to determine if a securitization of its student loan assets is desirable. Nelnet commenced its securitization program in 1996. Nelnet's Capital Markets and Portfolio Administration departments also play a significant role in the structuring and issuance of Nelnet's securitization trusts' asset-backed debt securities, including the trust's notes. In addition to assessing the desirability of accessing the securitization market, Nelnet also participates in the cash flow modeling process, reviews rating agency assumptions and rating criteria, participates in the marketing of its trusts' asset-backed debt securities, including the trust's notes, to prospective investors and assists in the preparation of the legal documentation with respect to the issuance of such securities, including the trust's notes.

Nelnet Bank. Nelnet Bank, which launched operations on November 2, 2020, is an internet Utah-chartered industrial bank franchise focused on the private education and unsecured consumer loan markets, with a home office in Salt Lake City, Utah. Nelnet Bank loans are funded by FDIC-insured deposits primarily from custodians and commercial and institutional customers. As of June 30, 2025, Nelnet Bank had a $827.6 million and $922.7 million loan and investment portfolio, respectively, and total deposits of $1.53 billion.

Nelnet's reportable operating segments may change from time to time depending upon, among other things, the relative significance of the products and services offered by Nelnet's various business areas and segments to Nelnet as a whole.

NELN. Nelnet owns all of the outstanding stock of NELN, the master servicer and administrator.

Nelnet Servicing. Nelnet owns all of the outstanding membership interests of Nelnet Diversified Solutions, LLC, who in turns owns all of the outstanding membership interests of Nelnet Servicing, the subservicer.

Federal Student Loan Origination. Effective July 1, 2010, the Reconciliation Act of 2010 discontinued new loan originations under the FFELP and requires that all new federal student loan originations be made directly by the Department of Education through the Direct Loan Program. This law does not alter or affect the terms and conditions of existing FFELP loans.

As a result of the Reconciliation Act of 2010, Nelnet no longer originates new FFELP loans. In addition, as a result of the Reconciliation Act of 2010, interest income on Nelnet's existing FFELP loan portfolio, as well as revenue from FFELP servicing, will continue to decline over time as Nelnet's and its third-party lender clients' FFELP loan portfolios are paid down.

Nelnet Legal Proceedings. Nelnet is subject to various claims, lawsuits, and proceedings that arise in the normal course of business. These matters frequently involve claims by student loan borrowers disputing the manner in which their student loans have been serviced or the accuracy of reports to credit bureaus, claims by student loan borrowers or other consumers alleging that state or Federal consumer protection laws have been violated in the process of collecting loans or conducting other business activities, and disputes with other business entities. In addition, from time to time Nelnet receives information and document requests from state or federal regulators concerning its business practices. Nelnet cooperates with these inquiries and responds to the requests. While Nelnet cannot predict the ultimate outcome of any regulatory examination, inquiry, or investigation, Nelnet believes its activities have materially complied with applicable law, including the Higher Education Act, the rules and regulations adopted by the Department of Education thereunder, and the Department of Education's guidance regarding those rules and regulations. On the basis of present information, anticipated insurance coverage, and advice received from counsel, it is the opinion of Nelnet's management that the disposition or ultimate determination of these claims, lawsuits, and proceedings will not have a material adverse effect on Nelnet's financial position.

Repurchase Requests. The loan purchase agreements entered into in connection with prior Nelnet-sponsored securitization transactions contain covenants requiring the repurchase of student loans in the case of a breach of certain representations and warranties. See the caption "Loan Purchase Agreements" below. During the three-year period ended December 31, 2024, none of Nelnet, the depositor or any of their affiliated securitizers received a demand to repurchase any student loan, as reportable on SEC Form ABS-15G under Rule 15Ga-1, underlying a securitization of FFELP student loans for which Nelnet has acted as sponsor. Nelnet, as securitizer covering all of its affiliated securitizers, is responsible for disclosure of all fulfilled and unfulfilled repurchase requests for FFELP student loans on SEC Form ABS-15G. Nelnet filed its most recent Form ABS-15G under Rule 15Ga-1 on February 11, 2025. Nelnet's CIK number is 0001258602. In addition, Education Funding Capital I, LLC ("EFC"), which was acquired by a subsidiary of Nelnet on April 25, 2014, filed its most recent Form ABS-15G on February 11, 2025. EFC's CIK number is 0001219701.

The Depositor

The depositor, Nelnet Student Loan Funding III, LLC, is a Delaware limited liability company formed on September 29, 2016. Nelnet Finance Corp., an indirect subsidiary of Nelnet, is the sole member of Nelnet Student Loan Funding III, LLC. Nelnet Student Loan Funding III, LLC's Limited Liability Company Agreement limits Nelnet Student Loan Funding III, LLC's activities to those that directly relate to the acquisition, financing, sale and securitization of student loans originated under the FFELP.

Nelnet Student Loan Funding III, LLC will acquire student loans and will be the seller of the student loans the trust acquires with the proceeds of the notes. Nelnet Student Loan Funding III, LLC will own all of the beneficial interests of the trust. See the caption "CREDIT RISK RETENTION" herein.

The Master Servicer and Administrator

NELN, a Nebraska corporation, will act as the master servicer with respect to the student loans the trust acquires with the proceeds of the notes and as administrator to the trust. NELN, a wholly-owned subsidiary of Nelnet, was established to create a network of student loan finance industry participants to provide services to educational institutions, lenders and students across the country. NELN provides a wide array of education loan finance services, including secondary market operations, administrative management services and asset finance services. NELN has acted as master servicer and administrator to the Nelnet Student Loan Trusts since 2002.

NELN has a substantial number of direct and indirect subsidiaries, including special purpose student loan finance entities. As of March 31, 2025, NELN had total assets of $1.98 billion, 92% of which consisted of investments in subsidiaries, and $1.96 billion of shareholder's equity.

THE STUDENT LOAN OPERATIONS OF NELNET STUDENT LOAN TRUST 2025-1

The trust will use the proceeds from the sale of the notes to make deposits to the Acquisition Fund and the Reserve Fund. Proceeds from the sale of the notes deposited in the Acquisition Fund, along with an additional contribution received from the sponsor, will be used to purchase FFELP loans. The eligible lender trustee will first acquire FFELP loans on behalf of the depositor, which will direct that the FFELP loans be sold and transferred to the Acquisition Fund of the trust. The eligible lender trustee, on behalf of the trust, will acquire the FFELP loans from the depositor pursuant to a loan purchase agreement between the trust and the depositor. The depositor will use the proceeds the trust pays to the depositor to acquire the FFELP loans from affiliates of the sponsor pursuant to loan purchase agreements.

The student loans we expect to acquire on the closing date were selected from the sponsor's student loan portfolio using several criteria, including requirements that as of the cut-off date each student loan:

- is guaranteed as to principal and interest by a guaranty agency under a guarantee agreement and the guaranty agency is reinsured by the Department of Education in accordance with the FFELP;

- contains terms in accordance with those required under the FFELP, the guarantee agreements and other applicable requirements;

- does not have a borrower who is noted in the master servicer's or the subservicer's related records as currently involved in a bankruptcy proceeding; and

- has special allowance payments, if any, based on the 30-day Average SOFR rate or the 91-day treasury bill rate.

Additionally, delinquent student loans will not constitute more than 20% of the principal balance of the pool of student loans the trust acquires. With respect to any student loan as to which the related borrower is determined to be a resident of the City of New York City, New York, all monthly payments due under such student loan, up to and as of the closing date have been made in full and the seller has not advanced funds to prevent any portion of such student loan from being past due as of the closing date.

Servicing of Student Loans

We are required under the Higher Education Act, the rules and regulations of the guaranty agencies and the indenture to use due diligence in the servicing and collection of student loans and to use collection practices no less extensive and forceful than those generally in use among financial institutions with respect to other consumer debt.

The Master Servicing Agreement. As of the closing date, the trust will enter into a master servicing agreement with NELN, as master servicer, U.S. Bank National Association, as eligible lender trustee for the trust and the depositor, the administrator and the depositor that will continue until the earliest of:

- the termination of the indenture and the trust agreement;

- the early termination after material default by the master servicer as provided for in the master servicing agreement; or

- the student loans serviced under the master servicing agreement are paid in full.

As master servicer, NELN will engage the subservicer to provide servicing for the trust student loans in accordance with the requirements of the Higher Education Act and the rules and regulations of the applicable guaranty agency.

NELN will be paid a monthly servicing fee equal to the lesser of:

- $2.13 per borrower per month for student loans in in-school status, $2.13 per borrower per month for student loans in grace status, $3.20 per borrower per month for all other student loans and an additional $2.40 per borrower per month for loans more than 15 days past due; or

- the greater of (i) $1/12^{th}$ of 0.90% of the outstanding principal balance of the trust's non-consolidation loans and 1/12th of 0.50% of the outstanding principal balance of the trust's consolidation loans and (ii) $6,000 per month.

In addition, NELN will be entitled to receive from available funds a carry-over servicing fee as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein. The carry-over servicing fee is the sum of:

- the amount of specified increases in the costs NELN incurs;

- the amount of specified conversion, transfer and removal fees;

- any carry-over servicing fees described above that remain unpaid from prior monthly distribution dates; and

- interest on unpaid amounts as set forth in the master servicing agreement.

Under the terms of the master servicing agreement, if the subservicer causes a student loan to be denied the benefit of any applicable guarantee and is unable to cause the reinstatement of the guarantee within 12 months of denial by the applicable guaranty agency, NELN will cause the subservicer to pay the trust an amount equal to the outstanding principal balance plus all accrued interest and other fees due, less the amount, if any, subject to risk sharing under the Higher Education Act and the guaranty agency's regulations, to the date of purchase of a student loan. Upon payment, the subservicer will be subrogated to all of the rights of the trust respecting the student loan. If the subservicer successfully reinstates the guarantee of the student loan, the trust will pay to the subservicer an amount equal to the then outstanding principal balance plus all accrued interest due on the student loan, less the amount subject to the risk sharing provisions of the Higher Education Act, whereupon the subrogation rights of the subservicer will terminate. If the subservicer fails or refuses to make payments in respect of a student loan as described above, NELN must purchase the student loan.

The master servicing agreement acknowledges that NELN will not perform any of the servicing activities described in the master servicing agreement and that the subservicer will be responsible for performance of such servicing duties. As such, except as described above, the master servicer shall not be liable in any way for any negligent or wrongful act or omission on the part of the subservicer; provided that the master servicer assigns, transfers and sets over to the trust or the depositor, as applicable, all of its rights and remedies as against the subservicer with respect to the trust student loans.

Master Servicer Duties. As master servicer, NELN will arrange for and oversee the performance of the subservicer with respect to the trust student loans. As described in this Offering Memorandum, NELN will enter into a separate subservicing agreement with each subservicer pursuant to which each subservicer will:

- service the trust student loans in such a manner so as to maintain the guarantee in full force at all times;

- prepare and mail directly to the borrower all required statements, notices, disclosures and demands;

- retain records of contacts, follow-ups, collection efforts and correspondence regarding each student loan;

- provide accounting for all transactions related to individual student loans;

- process all deferments and forbearances;

- process all address changes and update address changes accordingly;

- as permitted by the Higher Education Act, take all steps necessary to file a claim for loss with the appropriate guaranty agency;

- provide data as required by any guaranty agency and any state or federal regulatory agency;

- prepare and deliver monthly to the trust, the depositor, the administrator, the indenture trustee and anyone else designated by the trust and the depositor, certain reports about the prior month's activity;

- retain all documents received by the master servicer, the trust, the depositor or the administrator pertaining to each education loan, in accordance with applicable requirements;

- establish a third-party lockbox account into which borrowers will make all loan payments; and

- provide such other services as each subservicer customarily provides and deems appropriate.

At the request of the trust or the depositor, the master servicer will cause the subservicer to perform additional servicing activities for student loans transferred to the trust where those loans had not been previously serviced in accordance with the Higher Education Act or Department of Education regulations and which require additional servicing to attempt to maintain or reinstate the loans' principal and interest guarantee from a guaranty agency or to correct errors in servicing that caused a violation of consumer protection laws.

The master servicer will be responsible for reporting all pertinent information to the Department of Education in the manner required by Department of Education regulations.

Payments on Student Loans. Except as described herein, payments received on the trust student loans generally will be deposited into a lockbox account at an insured depository institution in the name of the subservicer each business day. Payments received on the trust student loans will not be segregated from payments received on other student loans serviced by the subservicer. Pursuant to the master servicing agreement, payments received on account of the trust student loans will be transferred to the indenture trustee for deposit into the related Collection Fund within two business days of receipt of such payments. Prior to the transfer of such funds to the indenture trustee, the subservicer may invest those funds for its own account.

Master Servicer Default. A default under the master servicing agreement will consist of:

- any failure to make deposits to the indenture trustee of payments received with respect to student loans;

- any failure or refusal to perform in any material fashion any portion of the master servicing agreement, including any failure to perform or observe in any material respect any covenants or agreements contained therein; and

- the occurrence of an event of bankruptcy involving the master servicer.

Upon the occurrence of any default, the master servicer will have the right to cure such default within 30 days of receipt of written notice of such default.

An event of bankruptcy means:

- the commencement of a voluntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official, making a general assignment for the benefit of creditors, declaring a moratorium with respect to one's debts or failure to generally pay one's debts as they become due; or

- the commencement of an involuntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official, provided such action is not dismissed within 60 days.

Any failure to service a student loan in accordance with the Higher Education Act that causes such student loan to be denied the benefit of any applicable guarantee is not a material breach under the master servicing agreement so long as the guarantee on such student loan is reinstated or the trust receives payment of the principal balance and accrued interest, less the amount, if any, subject to risk sharing under the Higher Education Act and the guaranty agency's regulations, on such student loan in accordance with the master servicing agreement.

Rights Upon Default. As long as a default remains unremedied, the indenture trustee, either eligible lender trustee or holders of more than 50% of the trust's obligations outstanding may terminate all the rights and obligations of the master servicer. Following a termination, a successor master servicer appointed by the holders of more than 50% of the trust's obligations outstanding, an eligible lender trustee or the indenture trustee will succeed to all the responsibilities, duties and liabilities of the master servicer under the master servicing agreement and will be entitled to similar compensation arrangements. The compensation may not be greater than the servicing compensation to the master servicer under the master servicing agreement, unless the rating agency condition has been satisfied. The indenture trustee may appoint, or petition a court for the appointment of, a successor whose regular business includes the servicing of student loans. If, however, a bankruptcy trustee or similar official has been appointed for the master servicer, and no default other than that appointment has occurred, the bankruptcy trustee or official may have the power to prevent the indenture trustee, the trust or the noteholders from effecting the transfer.

Waiver of Past Defaults. The holders of a majority of the trust's obligations outstanding in the case of any master servicer default which does not adversely affect the indenture trustee may, on behalf of all noteholders, waive any default by the master servicer, except a default in making any required deposits to or payments from any of the funds established under the indenture. No waiver will impair the noteholders' rights as to subsequent defaults.

Statements as to Compliance. The master servicing agreement will require the master servicer to deliver to the trust and indenture trustee an annual certificate signed by an authorized officer of the master servicer stating that, to the officer's knowledge, the master servicer has fulfilled its obligations under the master servicing agreement. If there has been a material default, the officer's certificate will describe that default. The master servicer has agreed to notify the indenture trustee and the eligible lender trustee of a default under the master servicing agreement.

The eligible lender trustee shall have no obligation or duty to monitor the activities and/or performance of the master servicer or any subservicer or its respective compliance under the master servicing agreement, any subservicing agreement, or applicable law, rules or guidance relating to consumer loans.

The Subservicer

Nelnet Servicing, a Nebraska corporation and indirectly wholly-owned subsidiary of Nelnet, provides for the servicing of Nelnet's student loan portfolio and the portfolios of third parties. Nelnet Servicing will act as subservicer with respect to the trust student loans pursuant to a subservicing agreement entered into with NELN. The subservicer will provide such data processing and other assistance in connection with the servicing of the trust student loans as the Higher Education Act and the guaranty agencies require. As master servicer, NELN will receive from the trust the servicing fees described under the caption "FEES AND EXPENSES" herein. NELN will be responsible for paying the subservicer the subservicing fees and expenses payable to it under the subservicing agreement. If the amount NELN is required to pay the subservicer is higher than the master servicing fee NELN receives, NELN, and not the trust, will be responsible for paying the subservicer such additional amount.

Nelnet Servicing is non-capital intensive and produces positive operating cash flows. As such, a minimal amount of debt and equity capital is allocated to Nelnet Servicing and any liquidity or capital needs are satisfied using cash flow from operations. As of June 30, 2025, Nelnet Servicing had total assets of $149.5 million, 22% and 32% of which consisted of restricted cash due to customers (for which there was a corresponding liability in the same amount) and net accounts receivable, respectively, and shareholder's equity of $75.2 million. For the six month period ended June 30, 2025, Nelnet Servicing had total loan servicing and system revenue of $250.4 million (including $173.1 million of revenue from Nelnet Servicing's servicing contract with the Department of Education), and net income of $48.8 million.

Servicing History and Experience. Nelnet Servicing began its education loan servicing operations on January 1, 1978, and provides student loan services including conversion activities, borrower updates, customer service, payment processing, due diligence procedures, funds management reconciliations, and claim processing. These activities are performed internally for Nelnet's portfolio and for third-party clients. Nelnet has offices located in, among other cities, Lincoln, Nebraska; Madison, Wisconsin; and Centennial, Colorado, and as of March 31, 2025, had approximately 6,000 employees (with approximately 3,200 employees in Nelnet's Loan Servicing and Systems operating segment). As of June 30, 2025, Nelnet's subsidiaries, including Nelnet Servicing, were servicing approximately $516.1 billion in government owned, FFELP, and private education and consumer loans for a total of approximately 14.5 million borrowers (including approximately $465.7 billion in government owned loans serviced for approximately 12.7 million borrowers).

Nelnet Servicing's due diligence schedule is conducted through automated letter generation. Most telephone calls are made via systems which include automation. All functions are monitored by an internal quality control system to ensure their performance. Compliance training is provided on both a centralized and a unit level basis. In addition, Nelnet has distinct compliance and internal auditing departments whose functions are to advise and coordinate compliance issues.

Department of Education Servicing Contract. Nelnet Servicing earns loan servicing revenue from a servicing contract with the Department of Education. As of December 31, 2024, Nelnet was servicing $489.9 billion of student loans for 14.0 million borrowers for the Department of Education. The Department of Education is Nelnet's largest customer, representing 26% of the company's revenue and 74% of Nelnet's Loan Servicing and Systems operating segment's revenue in 2024.

In April 2023, Nelnet Servicing received a contract award from the Department of Education, pursuant to which it was selected to provide continued servicing capabilities for the Department of Education's student aid recipients under a new Unified Servicing and Data Solution ("USDS") contract which replaced its legacy Department of education student loan servicing contract. The USDS contract has a five-year base period (through April 2028), with 2 two-year and 1 one-year possible extensions. The Department of Education's total loan servicing volume of existing borrowers was allocated by the Department of Education to Nelnet Servicing and four other third-party servicers that were awarded a USDS contract. Servicing under the USDS contract went live on April 1, 2024.

Nelnet Servicing earns a monthly fee from the Department of Education based on borrower volume it services on behalf of the Department of Education. The USDS contract has multiple revenue component with tiered pricing based on borrower volume.

The Nelnet Servicing Subservicing Agreement. NELN will enter into a subservicing agreement with Nelnet Servicing under which Nelnet Servicing will agree to service certain of the trust student loans. The Nelnet Servicing subservicing agreement will continue until the earlier of:

- termination of the indenture and trust agreement;
- early termination after material default by Nelnet Servicing as provided in the Nelnet Servicing subservicing agreement; or
- payment in full of all student loans serviced pursuant to the Nelnet Servicing subservicing agreement.

Under the Nelnet Servicing subservicing agreement, Nelnet Servicing will agree to service the trust student loans serviced by it in accordance with the Higher Education Act, and the rules and regulations of the guaranty agencies as described under the caption "Servicing of Student Loans—*The Master Servicing Agreement*" above. If NELN ceases, or is no longer able, to act as master servicer, Nelnet Servicing will agree to act as the master servicer for the student loans in the trust and will process and service the loans according to the master servicing agreement.

Nelnet Servicing may assign or delegate its obligations under the Nelnet Servicing subservicing agreement only with the prior written consent of the master servicer and upon satisfaction of the rating agency condition.

The Nelnet Servicing subservicing agreement may be terminated if Nelnet Servicing fails to perform in a material fashion and fails or refuses to correct such failure within 30 days after receiving notice of its failure. A material failure includes, among other things:

- failure of Nelnet Servicing to make deposits to the indenture trustee of payments received from parent/student borrowers; and
- insolvency or receivership of Nelnet Servicing.

A material failure does not include a loan servicing failure, even if the failure results in the loss of the student loan's guarantee, provided the guarantee is reinstated or Nelnet Servicing pays NELN the outstanding principal balance and all accrued interest, less the amount, if any, subject to risk sharing under the Higher Education Act and the guaranty agency's regulations, on such student loan in accordance with the Nelnet Servicing subservicing agreement.

Custody of Student Loans. Nelnet Servicing acts as custodian of certain of the trust student loans. Nelnet Servicing agrees to store, protect and retain promissory notes and other collateral documents for serviced student loans in a secure, fire-retardant environment. Nelnet Servicing offices which store paper loan documents have vaults with restricted access that meet these standards. Nelnet

Servicing also stores promissory notes offsite using vendors that provide a secure environment that meets the same safety standards and restricted access. As an additional safeguard, Nelnet Servicing stores micro-filmed or imaged copies of each promissory note and other servicing documents. Upon request, original promissory notes are returned to borrowers after payment in full.

Claim Rejection History. In its capacity as servicer or subservicer of FFELP student loans, including FFELP student loans serviced in connection with securitization transactions for which Nelnet acts as sponsor and student loans serviced for third-parties, Nelnet Servicing submits default claims to guaranty agencies that guarantee the payment of principal and interest of such student loans. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees" hereto. A default claim package must include all information and documentation required under the FFELP regulations and the guaranty agency's policies and procedures. Under certain circumstances, a guaranty agency may reject a default claim. Set forth below is a table showing Nelnet Servicing's gross claim rejection ratio for the calendar years listed. The gross claim rejection ratio is determined by dividing the total dollar amount of claims rejected by the total dollar amount of claims submitted. The ratios set forth below reflect Nelnet Servicing's experience on its entire FFELP servicing portfolio and include claims that are rejected upon initial submission, even if such claims are subsequently paid by the guaranty agency.

Calendar Year	**% Gross Rejects**
2020	0.17%
2021	0.09
2022	0.03
2023	0.06
2024	0.07

Administration Agreement

NELN has entered into an administration agreement with the trust, U.S. Bank Trust National Association, as Delaware trustee, U.S. Bank National Association, not in its individual capacity, but solely as eligible lender trustee, and U.S. Bank National Association, not in its individual capacity, but solely as indenture trustee. Under the administration agreement, the administrator agrees to perform its duties as administrator and to perform the duties of the trust under the indenture, the trust's trust agreement and related documents. The administrator will provide various notices and other administrative services required by the indenture and the trust agreement, including:

- directing the indenture trustee to make the required distributions from the funds on each monthly distribution date as described in this Offering Memorandum;

- preparing, using data received from the master servicer and the subservicer, and providing monthly, quarterly and annual reports to the eligible lender trustee and the indenture trustee and any related federal income tax reporting; and

- providing notices and performing other administrative services required by the indenture and the trust agreement.

The administrator will receive compensation for providing such services as specified under the caption "FEES AND EXPENSES" herein.

Before each monthly distribution date, the administrator will prepare and provide to the indenture trustee as of the end of the preceding collection period, a statement that will include:

- the servicing fees, trustees' fees, administration fees, Finsight annual fees and rating agency surveillance fees for the collection period;

- the amount of interest distributions for the notes and the applicable interest rates; and

- the amount of principal distributions on the notes.

The administrator is not required to take any action unless it is instructed to do so by the depositor with respect to matters it reasonably judges to be "non-ministerial," including:

- amending certain trust-related agreements;

- initiating actions, claims or lawsuits other than those in the ordinary course to collect amounts owed from the student loans;

- appointing successor administrators, successor Delaware trustees or successor trustees; and

- removing the Delaware trustee or the indenture trustee.

The trust may remove the administrator without cause, and NELN may resign as administrator upon 60 days' written notice; provided that no resignation will become effective unless a successor administrator has assumed NELN's duties under the administration agreement and the trust shall have satisfied the rating agency condition with respect to the appointment of such successor administrator.

Administrator Default. An administrator default under the administration agreement will consist of:

- the administrator's failure to perform any of its duties under the administration agreement and the failure to cure such non-performance within five days after receipt of notice, or, if such default cannot be cured in such time, the failure to give, within 10 days, such assurance of cure as is reasonably satisfactory to the trust; or

- the occurrence of an event of bankruptcy involving the administrator.

An event of bankruptcy means:

- the commencement of a voluntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official, making a general assignment for the benefit of creditors, declaring a moratorium with respect to one's debts or failure to generally pay one's debts as they become due; or

- the commencement of an involuntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official, provided such action is not dismissed within 60 days.

Rights Upon Administrator Default. As long as any administrator default remains unremedied, the indenture trustee, the trust or holders of not less than 25% of the trust's obligations outstanding may terminate all the rights and obligations of the administrator. Following the termination of the administrator, a successor administrator will be appointed by the indenture trustee, the trust or the holders of not less than 25% of the trust's obligations outstanding, with the consent of the indenture trustee, but only if the rating agency condition shall have been satisfied with respect to the appointment of such successor administrator. The successor administrator must agree in writing to be bound by the administration agreement to the same extent that NELN is bound thereunder. If, however, a bankruptcy trustee or similar official has been appointed for the administrator, and no other administrator default other than that appointment has occurred, the bankruptcy trustee or official may have the power to prevent the indenture trustee, the trust or the noteholders from effecting the transfer.

Waiver of Past Defaults. The holders of a majority of the trust's obligations outstanding in the case of any administrator default which does not adversely affect the indenture trustee or the trust may, on behalf of all noteholders, waive any default by the administrator. No waiver will impair the noteholders' rights as to subsequent defaults.

Statements as to Compliance. The administration agreement will require the administrator to deliver to the indenture trustee, the eligible lender trustee and the rating agencies an annual certificate signed by an authorized officer of the administrator stating that, to the officer's knowledge, the administrator has fulfilled its obligations under the administration agreement and has complied with certain servicing criteria identified in the administration agreement. If there has been a material default, the officer's certificate will describe that default.

You may obtain copies of these reports by sending a written request to the administrator.

Loan Purchase Agreements

The eligible lender trustee, on behalf of the trust created by the eligible lender trust agreement, will purchase student loans originated under the FFELP from "eligible lenders" under the Higher Education Act pursuant to the terms of loan purchase agreements. The eligible lender trustee will first acquire the student loans on behalf of the depositor, which will direct that the student loans be sold and transferred to the Acquisition Fund of the trust. The loan purchase agreements will identify the portfolio of student loans to be purchased and will specify the purchase price to be paid for those student loans. The depositor will be obligated under the loan purchase agreement to deliver each student loan note and related documentation to the master servicer or the subservicer as custodial agent for the indenture trustee, and to deliver the instruments of transfer for the student loans as necessary for a valid transfer of the student loans.

The depositor, in selling and transferring the student loans to the Acquisition Fund of the trust, will make representations, warranties and covenants with respect to the student loans sold pursuant to the loan purchase agreement, including the following:

- each student loan has been duly executed and delivered and constitutes the legal, valid and binding obligation of the maker and the endorser, if any, thereof, enforceable in accordance with its terms;
- the depositor is the sole owner and holder of each student loan and has full right and authority to sell and assign the same free and clear of all liens, pledges or encumbrances;

- each student loan to be sold under the loan purchase agreement is either insured or guaranteed; and

- the depositor and any servicer have each exercised and will continue until the scheduled sale date to exercise due diligence and reasonable care in making, administering, servicing and collecting the student loans.

At the request of the administrator or indenture trustee, the depositor will be obligated to repurchase any student loan purchased from the depositor if:

- any representation or warranty made or furnished by the depositor in or pursuant to the loan purchase agreement will prove to have been materially incorrect as to the loan;

- the Secretary of the Department of Education or a guaranty agency, as the case may be, refuses to honor all or part of a claim filed with respect to a student loan, including any claim for interest subsidy, special allowance payments, insurance, reinsurance or guarantee payments on account of any circumstance or event that occurred prior to the sale of the student loan to the trust;

- on account of any wrongful or negligent act or omission of the depositor or its servicing agent that occurred prior to the sale of a student loan, a defense that makes the student loan unenforceable is asserted by a maker or endorser, if any, of the student loan with respect to his or her obligation to pay all or any part of the student loan; or

- the instrument which the depositor purports to be an eligible loan is not, in fact, an eligible loan on its purchase date.

Upon the occurrence of any of the conditions set forth above and upon request by the administrator or indenture trustee, the depositor will be required to pay to the indenture trustee an amount equal to the then outstanding principal balance of the student loan, plus the interest and special allowance payments accrued and unpaid with respect to the student loan, plus any amounts owed to the Secretary of Education with respect to the student loan, plus any attorneys' fees, legal expenses, court costs, servicing fees or other expenses incurred in connection with the student loan and arising out of the reasons for the repurchase.

Each transfer of student loans to the trust will be structured to constitute a "true sale" of the student loans. The depositor will represent and warrant that each sale of student loans to the trust is a valid sale of those student loans. In addition, the depositor, the indenture trustee, the eligible lender trustee and the trust will treat the conveyance of the student loans as a sale. The depositor and each seller will take all actions that are required so the eligible lender trustee will be treated as the legal owner of the student loans.

Indenture Trustee

The trust will issue the notes pursuant to an indenture of trust, by and between the trust and U.S. Bank National Association ("U.S. Bank"), a national banking association, as indenture trustee and eligible lender trustee. U.S. Bancorp, with total assets exceeding $695 billion as of September 30, 2025, is the parent company of U.S. Bank, the fifth largest commercial bank in the United States. As of September 30, 2025, U.S. Bancorp operated over 2,000 branch offices in 26 states. A network of specialized U.S. Bancorp offices across the nation provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses, and institutions.

U.S. Bank has one of the largest corporate trust businesses in the country with office locations in 44 domestic and 3 international cities. U.S. Bank has provided corporate trust services since 1924. As of September 30, 2025, U.S. Bank was acting as trustee with respect to over 155,000 issuances of securities with an aggregate outstanding principal balance of over $6.9 trillion. This portfolio includes corporate and municipal bonds, mortgage-backed and asset-backed securities and collateralized debt obligations. The trust will be administered from U.S. Bank's corporate trust office located at One Federal Street, 3rd Floor, Boston, MA 02110.

The indenture trustee shall make each monthly statement available to the noteholders via the indenture trustee's internet website at https://pivot.usbank.com. Noteholders with questions may direct them to the indenture trustee's bondholder services group at (800) 934-6802.

On March 9, 2018, a law firm purporting to represent fifteen Delaware statutory trusts (the "DSTs") that issued securities backed by student loans (the "Student Loans") filed a lawsuit in the Delaware Court of Chancery against U.S. Bank in its capacities as indenture trustee and successor special servicer, and three other institutions in their respective transaction capacities, with respect to the DSTs and the Student Loans. This lawsuit is captioned *The National Collegiate Student Loan Master Trust I, et al. v. U.S. Bank National Association, et al.*, C.A. No. 2018-0167-JRS (Del. Ch.) (the "NCMSLT Action"). The complaint, as amended on June 15, 2018, alleged that the DSTs have been harmed as a result of purported misconduct or omissions by the defendants concerning administration of the trusts and special servicing of the Student Loans. Since the filing of the NCMSLT Action, certain Student Loan borrowers have made assertions against U.S. Bank concerning special servicing that appear to be based on certain allegations made on behalf of the DSTs in the NCMSLT Action. U.S. Bank has filed a motion seeking dismissal of the operative complaint in its entirety with prejudice pursuant to Chancery Court Rules 12(b)(1) and 12(b)(6) or, in the alternative, a stay of the case while other prior filed disputes involving the DSTs and the Student Loans are litigated. On November 7, 2018, the Court ruled that the case should be stayed in its entirety pending resolution of the first-filed cases. On January 21, 2020, the Court entered an order consolidating for pretrial purposes the NCMSLT Action and three other lawsuits pending in the Delaware Court of Chancery concerning the DSTs and the DST Student Loans, which remains pending.

U.S. Bank denies liability in the NCMSLT Action and believes it has performed its obligations as indenture trustee and special servicer in good faith and in compliance in all material respects with the terms of the agreements governing the DSTs and that it has meritorious defenses. It has contested and intends to continue contesting the plaintiffs' claims vigorously.

Under the indenture, U.S. Bank will act as indenture trustee and paying agent for the notes. The indenture trustee will act on behalf of the noteholders and represent their interests in the exercise of their rights under the indenture. See the caption "SUMMARY OF THE INDENTURE PROVISIONS—The Indenture Trustee" herein for additional information regarding the responsibilities of the indenture trustee.

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FEES AND EXPENSES

The fees and expenses payable by the trust are set forth in the table below. The priority of payment of such fees and expenses is described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein.

Fee and Expense	Recipient	Amount
Servicing Fee	NELN	The lesser of (a) $2.13 per borrower per month for student loans in in school status, $2.13 per borrower per month for student loans in grace status, $3.20 per borrower per month for all other student loans, and an additional $2.40 per borrower per month for loans more than 15 days past due; or (b) the greater of (i) 1/12th of 0.90% of the outstanding principal balance of the trust's non-consolidation loans and 1/12th of 0.50% of the outstanding principal balance of the trust's consolidation loans and (ii) $6,000 per month
Administration Fee	NELN	0.03%[1] per annum
Indenture Trustee Fee and Eligible Lender Trustee Fee	U.S. Bank National Association	0.005%[2] per annum
Delaware Trustee Fee	U.S. Bank Trust National Association	$7,500 per annum[3]
Rating Agency Surveillance Fees	Moody's	Not to exceed $22,500 per annum[4]
Finsight annual fee	Finsight Group, Inc.	$500 per annum[5]

[1]As a percentage of the pool balance as of the end of each calendar month.
[2]As a percentage of the principal amount of the notes outstanding as of the close of business on the prior monthly distribution date. Subject to a monthly minimum of $1,000.
[3]In addition, the Delaware trustee shall be reimbursed for its expenses and paid any indemnification amounts due and owing; provided, however, that other than (i) during the occurrence and continuation of an event of default, (ii) following an optional redemption, and (iii) on the final distribution date, such expenses and indemnification amounts shall not exceed $50,000 per calendar year.
[4]Rating Agency Surveillance Fees will be paid to Moody's based on its fee schedule and will not exceed a total of $22,500 per annum.
[5]To maintain a website pursuant to Rule 17g-5 under the Securities Exchange Act.

The fees described above may be increased if the trust satisfies the rating agency condition with respect to such increase.

USE OF PROCEEDS

The proceeds from the sale of the notes, along with the additional contribution received from the sponsor, are expected to be used to make a deposit to the Reserve Fund in the amount of $17,697,500 and to make a deposit to the Acquisition Fund in an amount sufficient to acquire the trust student loans as described under the caption "ACQUISITION OF STUDENT LOANS" herein.

ACQUISITION OF STUDENT LOANS

On the closing date, we will deposit into the Acquisition Fund the proceeds from the sale of the notes (less amounts deposited into the Reserve Fund), along with an additional contribution received from the sponsor, which we will use to purchase the trust student loans, all of which are FFELP loans. The trust will purchase its student loans for a price equal to 100% of their aggregate outstanding principal balance as of the cut-off date, plus accrued interest to and including the cut-off date. Interest that accrues on the trust student loans subsequent to the cut-off date but prior to the closing date will be paid to the depositor as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein.

The eligible lender trustee on behalf of Nelnet Student Loan Funding III, LLC will acquire the student loans from affiliates of the sponsor. See the caption "RELATIONSHIPS AMONG FINANCING PARTICIPANTS" herein. Each of the parties selling student loans to the depositor will make representations and warranties with respect to the student loans to be sold and has agreed to repurchase any student loans for which any representation or warranty is later determined to be materially incorrect. See the caption "THE STUDENT LOAN OPERATIONS OF NELNET STUDENT LOAN TRUST 2025-1" herein.

CHARACTERISTICS OF THE STUDENT LOANS
(As of the Statistical Cut-off Date)

As of September 30, 2025, the statistical cut-off date, the characteristics of the pool of student loans we expect to purchase were as described below. Since the date for purchase of the student loans to be acquired with the proceeds of the notes is other than the statistical cut-off date, the characteristics of those student loans will vary from the information presented below. The aggregate outstanding principal balance of the student loans in each of the following tables includes the principal balance due from borrowers, but does not include accrued interest, of which approximately $7,974,652 is expected to be capitalized. The percentages set forth in the tables below may not always add to 100% and the balances may not always add to $707,869,224.45 due to rounding.

We offer a variety of borrower incentive programs for student loans that are not "rehabilitation loans" originated or purchased by us or our affiliates that, among other things, provide for an interest rate reduction for borrowers that make payments on their student loans electronically and an interest rate or principal balance reduction for borrowers that make a specified number of on-time payments. If any such incentive programs not required by the Higher Education Act are in effect for student loans held in the trust estate on any monthly distribution date when the outstanding principal amount of the notes exceeds the value of the trust estate, either the trust or one of its affiliates will contribute funds to the trust estate in an amount equal to the principal or interest that otherwise would have been paid on such student loans in the absence of the borrower incentive programs, or the trust will notify the master servicer to notify the student loan borrowers that the borrower incentive programs have been terminated. If we notify the master servicer to provide notice of the termination of the borrower incentive programs, the master servicer may choose to contribute funds to the Collection Fund in an amount equal to the additional principal or interest that otherwise would have been paid on such student loans in the absence of the borrower incentive programs instead of providing notice of termination of the incentive programs. As of the statistical cut-off date, borrowers with respect to approximately 48.43% of the pool of student loans we expect to purchase (based on outstanding principal balance) were eligible for one or more borrower incentive program benefits. No representation can be made as to how many of these borrowers will continue to qualify for borrower benefits, or how many borrowers may qualify for such borrower benefits in the future.

A student loan originated under the FFELP that has previously defaulted, but satisfies the conditions described below, is known as a "rehabilitation loan." The student loans we expect to purchase are expected to include approximately $81,482,889.03 of rehabilitation loans (representing approximately 11.51% of the student loans by principal amount as of the statistical cut-off date). To rehabilitate a student loan originated under the FFELP, a borrower must pay the applicable guaranty agency at least nine full payments of an amount that is reasonable and affordable, as agreed to by the borrower and the guaranty agency, within twenty days of their monthly due dates over a 10-month period. Once the borrower has made the required payments, the loan may be purchased by an eligible lending institution. After a rehabilitation loan is purchased, it is eligible for all benefits under the Higher Education Act for which it would have been eligible if no default had occurred. Rehabilitation loans do not benefit from any borrower incentive programs. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees—*Rehabilitation of Defaulted Loans*" hereto.

Composition of the Student Loan Portfolio
(As of the Statistical Cut-off Date)

Aggregate outstanding principal balance	$707,869,224.45
Number of borrowers	27,354
Average outstanding principal balance per borrower	$25,878.09
Number of loans	48,462
Average outstanding principal balance per loan	$14,606.69
Weighted average remaining term to maturity (months)	156
Weighted average annual borrower interest rate	4.84%
Total interest to be capitalized	$7,974,652.60

Distribution of the Student Loans by Loan Type
(As of the Statistical Cut-off Date)

Loan Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Consolidation	48,462	$707,869,224.45	100.00%
Total	48,462	$707,869,224.45	100.00%

Distribution of the Student Loans by Interest Rate
(As of the Statistical Cut-off Date)

Interest Rate	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
2.50% - 3.49%	15,620	$208,258,435.32	29.42%
3.50% - 4.49%	8,959	118,342,381.17	16.72
4.50% - 5.49%	12,766	156,594,397.20	22.12
5.50% - 6.49%	3,406	65,854,324.84	9.30
6.50% - 7.49%	5,921	95,973,822.86	13.56
7.50% - 8.49%	1,790	62,845,863.06	8.88
Total	48,462	$707,869,224.45	100.00%

Distribution of the Student Loans by Income-Based Repayment Plan
(As of the Statistical Cut-off Date)

Income-Based Repayment Plan	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Current Income-Based Repayment Plan (Partial Payment)	1,707	$ 61,206,860.13	8.65%
Former Income-Based Repayment Plan (Standard Payment)	5,696	105,461,744.99	14.90
Non-Income-Based Repayment	41,059	541,200,619.33	76.45
Total	48,462	$707,869,224.45	100.00%

Distribution of the Student Loans by School Type
(As of the Statistical Cut-off Date)

School Type	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Consolidation Loan / School Uncoded	48,462	$707,869,224.45	100.00%
Total	48,462	$707,869,224.45	100.00%

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Distribution of the Student Loans by SAP Interest Rate Index
(As of the Statistical Cut-off Date)

SAP Interest Rate Index	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
1-Month SOFR	48,462	$707,869,224.45	100.00%
Total	48,462	$707,869,224.45	100.00%

Distribution of the Student Loans by Borrower Payment Status
(As of the Statistical Cut-off Date)

Borrower Payment Status	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Repayment	45,274	$637,231,646.75	90.02%
Deferment	1,663	31,889,031.46	4.50
Forbearance	1,525	38,748,546.24	5.47
Total	48,462	$707,869,224.45	100.00%

Distribution of the Student Loans by Number of Days Delinquent
(As of the Statistical Cut-off Date)

Number of Days Delinquent	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Current	44,912	$641,488,193.25	90.62%
1 to 30	2,600	46,174,053.49	6.52
31 to 59	950	20,206,977.71	2.85
Total	48,462	$707,869,224.45	100.00%

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Distribution of the Student Loans by Date of Disbursement
(As of the Statistical Cut-off Date)

Date of Disbursement	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
October 1, 1993 to June 30, 2006	28,424	$403,438,501.23	56.99%
July 1, 2006 to September 30, 2007	18,676	286,054,879.74	40.41
On or after October 1, 2007	1,362	18,375,843.48	2.60
Total	48,462	$707,869,224.45	100.00%

FFELP loans disbursed prior to October 1, 1993 are 100% guaranteed by the guaranty agency. Student loans disbursed on or after October 1, 1993 and before July 1, 2006, are 98% guaranteed by the guaranty agency. FFELP loans for which the first disbursement is made on or after July 1, 2006, are 97% guaranteed by the guaranty agency. FFELP loans disbursed on or after October 1, 2007, are subject to a reduced special allowance payment formula. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Special Allowance Payments" hereto.

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Distribution of the Student Loans by
Range of Principal Balance
(As of the Statistical Cut-off Date)

Range of Principal Balance	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
$0.01 - $500.00	2,475	$ 622,134.47	0.09%
$500.01 - $999.99	2,172	1,606,597.94	0.23
$1,000.00 - $1,499.99	1,996	2,488,584.48	0.35
$1,500.00 - $1,999.99	1,802	3,142,991.04	0.44
$2,000.00 - $2,499.99	1,706	3,834,822.17	0.54
$2,500.00 - $2,999.99	1,538	4,233,837.90	0.60
$3,000.00 - $3,499.99	1,411	4,587,151.24	0.65
$3,500.00 - $3,999.99	1,380	5,172,460.31	0.73
$4,000.00 - $4,499.99	1,319	5,598,238.62	0.79
$4,500.00 - $4,999.99	1,233	5,855,038.87	0.83
$5,000.00 - $5,499.99	1,188	6,238,196.55	0.88
$5,500.00 - $5,999.99	1,119	6,436,789.68	0.91
$6,000.00 - $6,499.99	1,084	6,766,628.31	0.96
$6,500.00 - $6,999.99	1,073	7,234,912.19	1.02
$7,000.00 - $7,499.99	998	7,235,889.36	1.02
$7,500.00 - $7,999.99	1,032	7,998,998.16	1.13
$8,000.00 - $8,499.99	973	8,025,540.80	1.13
$8,500.00 - $8,999.99	975	8,536,019.96	1.21
$9,000.00 - $9,499.99	917	8,484,089.06	1.20
$9,500.00 - $9,999.99	857	8,358,152.02	1.18
$10,000.00 - $14,999.99	6,610	81,283,048.80	11.48
$15,000.00 - $19,999.99	4,261	73,744,439.44	10.42
$20,000.00 - $24,999.99	2,703	60,430,913.70	8.54
$25,000.00 - $29,999.99	1,892	51,737,300.32	7.31
$30,000.00 - $34,999.99	1,302	42,098,715.87	5.95
$35,000.00 - $39,999.99	926	34,632,177.95	4.89
$40,000.00 - $44,999.99	682	28,836,851.95	4.07
$45,000.00 - $49,999.99	519	24,602,207.16	3.48
$50,000.00 - $54,999.99	381	19,898,882.26	2.81
$55,000.00 - $59,999.99	312	17,853,472.91	2.52
$60,000.00 - $64,999.99	251	15,633,132.72	2.21
$65,000.00 - $69,999.99	227	15,316,875.76	2.16
$70,000.00 - $74,999.99	182	13,184,979.31	1.86
$75,000.00 - $79,999.99	124	9,631,110.36	1.36
$80,000.00 - $84,999.99	120	9,909,746.59	1.40
$85,000.00 - $89,999.99	89	7,784,725.88	1.10
$90,000.00 - $94,999.99	79	7,314,845.70	1.03
$95,000.00 - $99,999.99	72	7,010,507.46	0.99
$100,000.00 or greater	482	74,508,217.18	10.53
Total	48,462	$707,869,224.45	100.00%

**Distribution of the Student Loans by
Scheduled Months to Maturity
(As of the Statistical Cut-off Date)**

Scheduled Months to Maturity	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
1 to 72	18,457	$ 77,696,879.44	10.98%
73 to 84	3,170	28,653,003.31	4.05
85 to 96	2,571	27,309,226.39	3.86
97 to 108	2,382	31,285,300.19	4.42
109 to 120	3,215	49,275,508.47	6.96
121 to 132	5,921	97,720,442.41	13.80
133 to 144	3,209	67,682,651.64	9.56
145 to 156	2,205	56,641,408.38	8.00
157 to 168	1,653	49,566,211.28	7.00
169 to 180	1,199	39,832,611.05	5.63
181 to 192	1,013	34,022,257.24	4.81
193 to 204	666	24,770,471.01	3.50
205 to 216	501	19,255,933.39	2.72
217 to 228	388	13,515,941.81	1.91
229 to 240	268	9,141,887.58	1.29
241 to 252	203	7,076,297.22	1.00
253 to 264	158	5,914,030.06	0.84
265 to 276	150	6,265,789.09	0.89
277 to 288	121	4,867,970.99	0.69
289 to 300	108	5,431,295.94	0.77
301 to 312	177	6,411,343.68	0.91
313 to 324	114	5,778,599.97	0.82
325 to 336	138	9,321,885.26	1.32
337 to 348	219	11,438,997.05	1.62
349 to 360	38	2,471,019.76	0.35
361 or greater	218	16,522,261.84	2.33
Total	48,462	$707,869,224.45	100.00%

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Distribution of the Student Loans by
Scheduled Maturity Year
(As of the Statistical Cut-off Date)

Scheduled Maturity Year	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
2025	536	$ 855,183.21	0.12%
2026	3,082	5,979,431.32	0.84
2027	3,514	10,319,413.87	1.46
2028	3,106	12,692,082.23	1.79
2029	2,803	14,808,737.40	2.09
2030	3,807	22,734,493.92	3.21
2031	3,749	28,531,809.68	4.03
2032	2,891	27,763,426.82	3.92
2033	2,380	27,713,665.00	3.92
2034	2,225	29,284,947.15	4.14
2035	4,185	56,736,487.29	8.02
2036	4,480	80,293,378.33	11.34
2037	2,710	59,999,253.84	8.48
2038	1,873	51,642,641.32	7.30
2039	1,471	46,570,082.95	6.58
2040	1,141	38,305,703.89	5.41
2041	1,014	37,438,222.38	5.29
2042	683	25,382,240.52	3.59
2043	512	21,015,477.89	2.97
2044	328	13,518,897.30	1.91
2045	263	10,609,655.54	1.50
2046	233	10,797,987.60	1.53
2047	180	7,582,940.39	1.07
2048	163	7,714,737.21	1.09
2049	129	6,223,944.96	0.88
2050	169	7,534,030.20	1.06
2051	185	8,727,584.94	1.23
2052	177	10,763,055.55	1.52
2053	230	13,527,563.74	1.91
2054	162	8,323,602.90	1.18
2055	39	2,308,537.92	0.33
2056	22	1,126,876.61	0.16
2057	11	439,939.86	0.06
2058	3	217,626.10	0.03
2059	2	45,789.80	0.01
2060	4	339,774.82	0.05
Total	48,462	$707,869,224.45	100.00%

Distribution of the Student Loans by Geographic Location
(As of the Statistical Cut-off Date)

The following chart shows the geographic distribution of the student loans based on the permanent billing addresses of the borrowers as shown on the subservicer's records:

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
California	4,189	$ 67,543,848.97	9.54%
North Carolina	6,939	66,913,641.69	9.45
Texas	3,867	63,543,863.55	8.98
Florida	2,564	46,180,381.01	6.52
New York	2,804	40,008,289.52	5.65
Ohio	1,922	28,031,776.68	3.96
Illinois	1,779	27,779,093.85	3.92
Georgia	1,677	27,479,973.22	3.88
Pennsylvania	1,623	22,933,519.33	3.24
Michigan	1,087	18,688,573.95	2.64
Virginia	1,385	17,748,092.39	2.51
Colorado	987	16,880,370.90	2.38
Washington	969	15,061,540.90	2.13
New Jersey	1,036	14,820,878.75	2.09
Wisconsin	1,213	14,131,281.58	2.00
Maryland	943	14,012,957.60	1.98
Tennessee	851	13,785,372.32	1.95
Massachusetts	1,030	12,925,862.20	1.83
Missouri	768	11,827,009.77	1.67
Minnesota	925	11,339,121.58	1.60
Arizona	651	11,295,715.37	1.60
Oregon	677	10,845,129.43	1.53
South Carolina	743	10,172,289.48	1.44
Louisiana	521	9,233,188.61	1.30
Indiana	601	9,231,321.35	1.30
Alabama	517	8,044,003.94	1.14
Connecticut	513	7,352,661.14	1.04
Kansas	398	6,688,361.22	0.94
Kentucky	425	6,124,819.21	0.87
Iowa	406	5,960,172.40	0.84
Utah	358	5,849,293.70	0.83
Oklahoma	338	5,830,455.87	0.82
Nevada	311	5,587,298.25	0.79
Mississippi	248	4,994,167.92	0.71
New Mexico	212	4,275,999.14	0.60
Nebraska	253	4,040,793.46	0.57
Idaho	261	4,025,303.53	0.57
Arkansas	237	3,943,914.47	0.56
New Hampshire	216	3,788,648.83	0.54
Puerto Rico	157	3,457,988.78	0.49
West Virginia	211	3,129,042.60	0.44

Distribution of the Student Loans by Geographic Location
(As of the Statistical Cut-off Date)

The following chart shows the geographic distribution of the student loans based on the permanent billing addresses of the borrowers as shown on the subservicer's records:

Geographic Location	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Maine	223	3,055,881.33	0.43
Hawaii	152	2,487,071.16	0.35
Montana	144	2,405,186.80	0.34
District of Columbia	226	2,344,776.17	0.33
Rhode Island	147	1,904,859.55	0.27
South Dakota	132	1,741,919.07	0.25
Alaska	103	1,669,280.69	0.24
Delaware	104	1,512,015.92	0.21
Foreign Country	115	1,480,252.52	0.21
Other	304	3,761,962.78	0.53
Total	48,462	$707,869,224.45	100.00%

Distribution of the Student Loans by Subservicer
(As of the Statistical Cut-off Date)

Subservicer	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Nelnet, Inc.	48,462	$707,869,224.45	100.00%
Total	48,462	$707,869,224.45	100.00%

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Distribution of the Student Loans by Guaranty Agency
(As of the Statistical Cut-off Date)

Guaranty Agency	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
American Student Assistance	17,572	$274,148,745.15	38.73%
Ascendium Education Solutions, Inc. (f/k/a Great Lakes Higher Education Guaranty Corporation)	9,386	142,971,195.27	20.20
Pennsylvania Higher Education Assistance Agency	7,503	126,024,245.37	17.80
Education Credit Management Corporation	9,774	98,472,594.20	13.91
College Assist (f/k/a Colorado Guaranteed Student Loan Program)	2,704	43,202,870.81	6.10
National Student Loan Program	862	13,657,392.61	1.93
Texas Guaranteed Student Loan Corporation (d/b/a Trellis Company)	554	7,815,205.29	1.10
Florida Office of Student Financial Assistance	88	1,259,665.38	0.18
Kentucky Higher Education Assistance Agency	17	313,708.38	0.04
Oklahoma College Assistance Program (f/k/a Oklahoma Guaranteed Student Loan Program)	2	3,601.99	0.00*
Total	48,462	$707,869,224.45	100.00%

*Less than 0.005%, but greater than 0.000%

Distribution of the Student Loans by Index
(As of the Statistical Cut-off Date)

Index	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Fixed Rate	48,462	$707,869,224.45	100.00%
Total	48,462	$707,869,224.45	100.00%

Distribution of the Student Loans by Rehabilitation/Non-Rehabilitation Loans
(As of the Statistical Cut-off Date)

Type of Loan	Number of Loans	Outstanding Principal Balance	Percent of Loans by Outstanding Principal Balance
Non-Rehabilitation Loan	45,068	$626,386,335.42	88.49%
Rehabilitation Loan	3,394	81,482,889.03	11.51
Total	48,462	$707,869,224.45	100.00%

INFORMATION RELATING TO THE GUARANTY AGENCIES

The payment of principal and interest on all of the student loans held in the trust estate created under the indenture will be guaranteed by designated guaranty agencies and will be reinsured by the U.S. Department of Education. The guarantee provided by each guaranty agency is an obligation solely of that guaranty agency and is not supported by the full faith and credit of the federal or any state government. However, the Higher Education Act provides that if the Secretary of Education determines that a guaranty agency is unable to meet its insurance obligations, the Secretary shall assume responsibility for all functions of the guaranty agency under its loan insurance program. For further information on the Secretary of Education's authority in the event a guaranty agency is unable to meet its insurance obligations see the caption "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees" hereto.

As of the statistical cut-off date, of the student loans held in the trust estate approximately:

- 38.73% are guaranteed by American Student Assistance ("ASA");
- 20.20% are guaranteed by Ascendium Education Solutions, Inc. (f/k/a Great Lakes Higher Education Guaranty Corporation) ("Ascendium"), a Wisconsin nonstock, nonprofit corporation;
- 17.80% are guaranteed by Pennsylvania Higher Education Assistance Agency ("PHEAA");
- 13.91% are guaranteed by Educational Credit Management Corporation ("ECMC"); and
- the remaining approximately 9.36% are guaranteed by one of the following guaranty agencies:
    - Colorado Assist (f/k/a Colorado Guaranteed Student Loan Program);
    - National Student Loan Program;
    - Texas Guaranteed Student Loan Corporation (d/b/a Trellis Company).
    - Florida Office of Student Financial Assistance
    - Kentucky Higher Education Assistance Authority; and
    - Oklahoma College Assistance Program (f/k/a Oklahoma Guaranteed Student Loan Program).

Presented below is information with respect to each guaranty agency guaranteeing 10% or more of the student loans as of the statistical cut-off date. Except as otherwise indicated, the information regarding each guaranty agency has been obtained from the guaranty agency and has not been independently verified.

Information Relating to ASA

The following information has been furnished by ASA, as a guaranty agency, for use in this Offering Memorandum. Neither the trust nor the initial purchasers make any guarantee or any representation as to the accuracy or completeness thereof or the absence of any material adverse change in such information or in the condition of ASA subsequent to the date hereof.

Massachusetts Higher Education Assistance Corporation, doing business as American Student Assistance ("ASA"), a not-for-profit corporation organized in 1956, will guarantee a portion of the trust student loans. ASA is one of the oldest and largest guaranty agencies in the United States, and is the designated guarantor for the Commonwealth of Massachusetts and the District of Columbia. Since 1956, ASA has been a provider of higher education financing products and services to students, parents, schools and lenders across the country. ASA guarantees more than $8.8 billion in outstanding (non-ASA held) loans as of September 30, 2024. Originally created by the General Court of the Commonwealth of Massachusetts as Massachusetts Higher Education Assistance Corporation, ASA currently acts on behalf of the U.S. Department of Education to ensure that the public policy purposes and regulatory requirements of the FFEL Program are met. ASA has its principal offices located at 33 Arch Street, Boston, MA 02114.

Guaranty Volume. As a result of the Health Care and Education Reconciliation Act of 2010, all new loans guaranteed and disbursed under the FFEL Program were eliminated as of July 1, 2010. Instead, the federal government directly makes federal student loans for higher education, rather than insuring federal student loans made by private lenders and guaranteed by a guaranty agency such as ASA. As such, under current law, no new FFEL Program guaranty volume has occurred since July 1, 2010. However, ASA will continue to perform its obligations as the guaranty agency for the remaining outstanding loan portfolio.

The information in the following tables has been provided by ASA from reports provided by or to the U.S. Department of Education. No representation is made by ASA as to the accuracy or completeness of the information.

Recovery Rates. A guaranty agency's recovery rate, which provides a measure of the effectiveness of the collection efforts against defaulting borrowers after the guarantee claim has been satisfied, is determined by dividing the aggregate amount recovered from borrowers by the aggregate amount of default claims paid by the guaranty agency. The table below sets forth the recovery rates for ASA as taken from the U.S. Department of Education Guarantee Agency Financial Report form 2000, for each of the last five federal fiscal years:

Federal Fiscal Year (Ending September 30)	**Cumulative Recovery Rate**
2020	95.9%
2021	96.1%
2022	94.1%
2023	91.8%
2024	90.2%

Reserve Ratio. A guaranty agency's reserve ratio is determined by dividing the sum of its Federal Reserve Fund balance plus certain allowances and other non-cash charges by the original principal amount of loans outstanding. ASA's reserve ratio for the last five federal fiscal years is as follows:

Federal Fiscal Year (Ending September 30)	Reserve Ratio
2020	0.340%
2021	0.339%
2022	0.382%
2023	0.272%
2024	0.284%

Claims Rate. ASA's claims rate represents the percentage of loans in repayment at the beginning of a federal fiscal year which defaulted during the ensuing federal fiscal year, net of repurchases, refunds and rehabilitations. For the federal fiscal years 2020-2024, ASA's claims rate has not exceeded 5%, and as a result, all claims of ASA have been fully reimbursed at the maximum allowable level by the U.S. Department of Education. See the description or summary of the FFEL Program herein for more detailed information concerning the FFEL Program. Nevertheless, there can be no assurance the guaranty agencies will continue to receive full reimbursement for such claims. The following table sets forth the claims rate of ASA for the last five federal fiscal years:

Federal Fiscal Year (Ending September 30)	Claims Rate
2020	0.7%
2021	1.6%
2022	2.9%
2023	3.5%
2024	2.9%

Net Loan Default Claims. The following table sets forth the dollar value of default claims paid, net of repurchases, refunds and rehabilitations for the last five ASA fiscal years.

ASA Fiscal Year (Ending June 30)	Default Claims (Dollars in Millions)
2020	$68
2021	$135
2022	$259
2023	$282
2024	$233

Default Recoveries. The following table sets forth the amount of recoveries returned to the U.S. Department of Education for the last five ASA fiscal years.

ASA Fiscal Year (Ending June 30)	Default Recoveries (Dollars in Millions)
2020	$159
2021	$94
2022	$10
2023	$3
2024	$2

Information Relating to Ascendium

The following information has been furnished by Ascendium, as a guaranty agency, for use in this Offering Memorandum. Neither the trust nor the initial purchasers make any guarantee or any representation as to the accuracy or completeness thereof or the absence of any material adverse change in such information or in the condition of Ascendium subsequent to the date hereof.

Ascendium Education Solutions, Inc. f/k/a Great Lakes Higher Education Guaranty Corporation ("Ascendium") is a Wisconsin nonstock, nonprofit corporation, the sole member of which is Ascendium Education Group, Inc. f/k/a Great Lakes Higher Education Corporation ("Ascendium Education Group"). Ascendium's predecessor organization, Ascendium Education Group, was organized as a Wisconsin nonstock, nonprofit corporation and began guaranteeing student loans under the Higher Education Act in 1967. Ascendium is the designated guaranty agency under the Higher Education Act for Wisconsin, Arkansas, Iowa, Minnesota, Montana, North Dakota, Ohio, South Dakota, Puerto Rico, and the Virgin Islands. The primary operations center for Ascendium Education Group and its affiliates (including Ascendium) is in Madison, Wisconsin, which includes operational staff offices for guaranty functions. Ascendium will provide a copy of Ascendium Education Group's most recent consolidated financial statements on receipt of a written request directed to 38 Buttonwood Court, Madison, Wisconsin 53718, Attention: Chief Financial Officer.

United Student Aid Funds, Inc. ("USAF") was organized as a private, nonprofit corporation under the General Corporation Law of the State of Delaware in 1960. USAF (i) maintained facilities for the provision of guarantee services with respect to approved education loans made to or for the benefit of eligible students attending approved educational institutions; (ii) guaranteed education loans made pursuant to certain loan programs under the Higher Education Act, as well as loans made under certain private loan programs; and (iii) served as the designated guarantor for education-loan programs under the Higher Education Act of 1965, as amended ("the Act") in Arizona, Hawaii and certain Pacific Islands, Indiana, Kansas, Maryland, Mississippi, Nevada and Wyoming.

USAF was the sole member of the Northwest Education Loan Association ("NELA"), a guarantor serving the states of Washington, Idaho, and the Northwest. Ascendium Education Group became a member of USAF effective January 1, 2017.

Effective as of December 31, 2018, NELA was dissolved, with its remaining assets going to its sole member, USAF. Immediately thereafter, USAF was merged into Ascendium. Thus, the portfolios previously held by USAF and NELA are now held by Ascendium.

The information in the following tables has been provided to the trust from reports provided by or to the U.S. Department of Education and has not been verified by the trust, Ascendium, or the initial purchasers. No representation is made by the trust, Ascendium, or the initial purchasers as to the accuracy or completeness of this information. Prospective investors may consult the U.S. Department of Education Data Books and Web sites http://www2.ed.gov/finaid/prof/resources/data/opeloanvol.html for further information concerning Ascendium or any other guaranty agency. Such websites are not incorporated into this Offering Memorandum.

Guaranty Volume. Pursuant to the SAFRA Act and part of the Heath Care and Education Reconciliation Act of 2010, Ascendium, the former USAF, and the former NELA ceased issuing new loan guarantees on June 30, 2010. The most recent year for which the U.S. Department of Education has issued guaranty volume information is 2009. Ascendium issued $7.0 billion in new loan guarantees in that year.

The Ascendium Portfolio[*]

Following are Ascendium's reserve fund levels as calculated in accordance with 34 CFR 682.410(a)(10) for the last five federal fiscal years:

Federal Fiscal Year	Federal Guaranty Reserve Fund Level[1]
2020	0.96%
2021	0.00
2022	0.44
2023	0.30
2024	1.33

The U.S. Department of Education's website has posted reserve ratios for Ascendium for federal year 2020 as 0.59%. The 2021 through 2024 information has not been published as of yet. Ascendium believes the Department of Education has not calculated the reserve ratio in accordance with the Act and the correct ratio should be 0.96, as shown above and as explained in the following footnote. On November 17, 2006, the U.S. Department of Education advised Ascendium that beginning in Federal Fiscal Year 2006 it will publish reserve ratios that include loan loss provision and deferred revenues. Ascendium believes this change more closely approximates the statutory calculation. According to the U.S. Department of Education, available cash reserves may not always be an accurate barometer of a guarantor's financial health.

[1] In accordance with Section 428(c)(9) of the Higher Education Act, does not include loans transferred from the former Higher Education Assistance Foundation, Northstar Guarantee Inc., Ohio Student Aid Commission, Puerto Rico Higher Education Assistance Corporation, Student Loan Guarantee Foundation of Arkansas, Student Loans of North Dakota, Montana Guaranteed Student Loan Program, or designated states of Arizona, Hawaii, Idaho, Indiana, Kansas, Maryland, Mississippi, Nevada, Washington, Wyoming, and certain Pacific Trust Territories. (The minimum reserve fund ratio under the Higher Education Act is 0.25%.)

Per DCL GEN 21-03 this requirement is waived until the federal fiscal year following the end of the Fresh Start period and the Voluntary Flexible Agreement currently in effect continues the waiver period until October 1, 2026.

[*] The percentages for 2020-2024 include the combined portfolios of Ascendium, USAF and NELA.

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The Ascendium Portfolio*

Claims Rate. The claims rate for Ascendium, USAF and NELA are as follows:

Federal Fiscal Year	Claims Rate
2020	1.40%
2021	1.36
2022	3.81
2023	5.05
2024	3.86

As a result of various statutory and regulatory changes over the past several years, historical rates may not be an accurate indicator of current delinquency or default trends or future claims rates.

Information Relating to PHEAA

The following information has been furnished by PHEAA, as a guaranty agency, for use in this Offering Memorandum. Neither the trust nor the initial purchasers makes any guarantee or any representation as to the accuracy or completeness thereof or the absence of any material adverse change in such information or in the condition of ECMC subsequent to the date hereof.

Pennsylvania Higher Education Assistance Agency ("PHEAA") is a body corporate and politic constituting a public corporation and government instrumentality created pursuant to the Pennsylvania Act of August 7, 1963, P.L. 549, as amended (the "Pennsylvania Act").

PHEAA has been guaranteeing student loans since 1964. As of March 31, 2025, PHEAA has guaranteed a total of approximately $48.8 billion principal amount of Stafford Loans, $7.9 billion principal amount of PLUS and SLS Loans, and $52.1 billion principal amount of Consolidation Loans under the Higher Education Act. PHEAA initially guaranteed loans only to residents of the Commonwealth of Pennsylvania (the "Commonwealth") or persons who planned to attend or were attending eligible education institutions in the Commonwealth. In May 1986, PHEAA began guaranteeing loans to borrowers who did not meet these residency requirements pursuant to its national guarantee program. Under the Pennsylvania Act, guarantee payments on loans under PHEAA's national guarantee program may not be paid from funds appropriated by the Commonwealth.

PHEAA has adopted a default prevention program consistent with United States Department of Education ("Department") requirements and applicable law that involved in the past and continues to include the following, as applicable: (i) informing new borrowers of the serious financial obligations incurred by them and stressing the financial and legal consequences of failure to meet all terms of the loan, (ii) working with institutions to make certain that student borrowers were enrolled in sound education programs and proper individual enrollment records are being maintained, (iii) assisting lenders with operational programs to ensure sound lending policies and procedures, (iv) maintaining up-to-date student status and address records of all borrowers in the guaranty program, (v) initiating prompt collection actions with borrowers who become delinquent on their loans, do not establish repayment schedules or "skip," (vi) garnishment of wages for defaulted loans, and (vii) a general policy that loans will not be automatically "written off." Since the loan servicing program was initiated in 1974, PHEAA has never exceeded an annual default claims percentage of 5 percent and, as a result, federal reimbursement for default claims has thus far been at the maximum federal reimbursement level.

For the last five federal fiscal years (ended September 30), the annual default claims percentages have been as follows:

Federal Fiscal Year	Annual Default Claims
2020	0.82%
2021	1.72
2022	2.10
2023	3.14
2024	3.03

As of March 31, 2025, PHEAA managed federal reserve fund assets of approximately $24.3 million. Through March 31, 2025, the net guarantee amount on loans that had been directly guaranteed by PHEAA and loans transferred from the Georgia Higher Education Assistance Corporation under the Federal Family Education Loan Program was approximately $8.8 billion. In addition, as of March 31, 2025, PHEAA had total assets of $3.0 billion, which does not include Federal Reserve Fund assets.

Guarantee Volume. PHEAA's new origination guaranty volume (the approximate aggregate principal amount of federally reinsured education loans, including PLUS Loans but excluding federal consolidation loans) was zero for each of the last five federal fiscal years (ended September 30).

Reserve Ratio. Under current law prior to October 1, 2024, PHEAA was required to manage the Federal Fund so net assets are greater than 0.25% of the original principal balance of outstanding guarantees. The table below shows the reserve ratio for PHEAA for the last five federal fiscal years (ended September 30):

Federal Fiscal Year	Reserve Ratio
2020	0.61%
2021	(0.55)
2022	0.29
2023	0.34
2024	0.36

The table displays PHEAA's calculation of the reserve ratio on a regulatory basis of accounting. Each year the reserve ratio includes an adjustment for gain contingencies not recognized under generally accepted accounting principles.

As of September 30, 2021, PHEAA's reserve ratio fell below the minimum federal ratio of 0.25% due to implementing the provisions of the Dear Colleague Letter (DCL) issued by the Department on May 12, 2021. The DCL provided a waiver for guaranty agencies that failed to meet the requirement.

Effective October 1, 2024, PHEAA entered into a Voluntary Flexible Agreement ("VFA") with the Department pursuant to which the Department has waived various provisions under the Higher Education Act and regulations, including the requirements related to the minimum reserve fund amount under §428(c)(9) of the Higher Education Act and 34 C.F.R. §682.410(a)(10). The VFA will be in effect through September 30, 2026, unless otherwise amended.

Recovery Rates. A guarantor's recovery rate, which provides a measure of the effectiveness of the collection efforts against defaulting borrowers after the guarantee claim has been satisfied, is determined for each year by dividing the current year collections by the total outstanding claim portfolio for the prior fiscal year.

The recovery rate decreased in 2020, 2021, 2022 and 2023 due to the decrease in recoveries as a result of the COVID-19 Pandemic. The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provided an interest reprieve and implemented an automatic forbearance effective March 2020, for any borrower with a student loan held by the Department of Education. PHEAA took into account this guidance and addressed management of the default portfolio by suspending active garnishments and ceased referral of accounts to outside collection vendors. In addition, PHEAA suspended the series of standard default due diligence letters hence accounts were treated as deferred from further collections effective March 2020. PHEAA also limited outbound calls to borrowers.

On March 30, 2021, the Department announced an expansion of the pause on federal student loan interest and collections on all defaulted loans in the FFEL Program that are managed by Guaranty Agencies (GA). In addition to actions taken as a result of the CARES ACT PHEAA was also required to set interest rates to 0%, give borrowers the option to have voluntary payments refunded, notify borrowers with active rehabilitation agreements that they are not required to make further payments to receive credit toward rehabilitation, assign to the Department all loans where a default claim was paid on or after March 13 ,2020, not add collection costs to rehabilitated loans and decrease collection costs to up to 2.8% of the loan balance for consolidations with a LVC submitted to the GA on or after March 30, 2021. The federal student loan payment pause and the expansion to the defaulted loans in the FFEL Program expired on August 28, 2023.

The table below shows the cumulative recovery rates for PHEAA for the five federal fiscal years (ended September 30):

Federal Fiscal Year	Recovery Rate Percentage
2020	24.68%
2021	11.65
2022	1.83
2023	1.72
2024	2.06

Information Relating to ECMC

The following information has been furnished by ECMC, as a guaranty agency, for use in this Offering Memorandum. Neither the trust nor the initial purchasers makes any guarantee or any representation as to the accuracy or completeness thereof or the absence of any material adverse change in such information or in the condition of ECMC subsequent to the date hereof.

Educational Credit Management Corporation ("ECMC"), a nonprofit corporation established in 1994 with its headquarters in Minneapolis, Minnesota, is a national student loan guaranty agency under the Federal Family Education Loan Program ("FFELP"). ECMC was designated by the U.S. Department of Education to be the FFELP guarantor for the Commonwealth of Virginia in 1996, for the state of Oregon in 2005, for the state of Connecticut in December 2009, for the state of California in November 2010, for the state of Tennessee in July 2016, for the state of South Carolina in December 2016, for the state of Rhode Island in July 2018, for the state of Maine in December 2019, for the state of Illinois in May 2022, for the state of Missouri in October 2022, for the state of Louisiana in January 2023, for the state of Utah in March 2023, for the state of North Carolina in November 2023, and for the state of New Mexico in August 2025.

The following information and data have been provided by ECMC from reports provided by or to the U.S. Department of Education. References to fiscal year refer to the federal fiscal year that begins on

October 1 and ends on September 30 each year. ECMC has not verified and makes no representation as to the accuracy or completeness of, the information compiled by the U.S. Department of Education or as to any calculations other than as required by federal regulation.

Federal Reserve and Operating Funds and Loan Portfolio. As part of the FFELP, ECMC maintains federal reserve fund and operating fund accounts for the ECMC portfolio. The operating fund and federal reserve fund assets related to the guaranteed loan portfolio are restricted to certain uses by statute. As of September 30, 2024, the ECMC loan portfolio had total federal reserve fund assets of approximately $45.6 million. Through September 30, 2024, the outstanding unpaid aggregate amount of principal and interest on loans that had been guaranteed by ECMC under FFELP was approximately $16.9 billion. ECMC had operating fund assets as of September 30, 2024 totaling approximately $52.3 million.

In addition, pursuant to its charter with the U.S. Department of Education, ECMC performs a number of specialized services for the U.S. Department of Education through ECMC's Federal Services Bureau. These services include bankruptcy servicing and processing, providing a safety-net function for the U.S. Department of Education to assist other guaranty agencies during periods of economic difficulty, and assisting the U.S. Department of Education in other areas as requested. ECMC maintains a separate account for reserve fund assets in its Federal Service Bureau. Although ECMC may accumulate assets in this account during the month, ECMC returns all excess reserve fund assets in its Federal Services Bureau at the end of each month. Therefore, as of September 30, 2019, ECMC had no reserve fund assets in its Federal Services Bureau account. These assets are the property of the United States Department of Education and are not available for payment of claims for ECMC guaranteed loans.

Guaranty Volume. The guaranty volume is the approximate net principal amount of FFELP loans (excluding Federal Consolidation Loans) guaranteed by ECMC. As a result of the Health Care and Education Reconciliation Act of 2010, signed by President Obama on March 30, 2010, all new loans guaranteed and disbursed under the FFELP were eliminated as of July 1, 2010. Instead, the federal government directly makes federal student loans for higher education, rather than insuring federal student loans made by private lenders and guaranteed by a guaranty agency such as ECMC. As such, under current law, no new FFELP loan guaranty volume has occurred since July 1, 2010. However, ECMC will continue to perform its obligations as the guaranty agency for the remaining outstanding loan portfolio.

Reserve Ratios. The reserve ratio represents the percentage of the guarantor's federal reserve fund balance relative to the total amount of loans outstanding guaranteed by the guarantor. The U.S. Department of Education publishes reserve ratios for the federal reserve fund administered by ECMC. The last five fiscal years for which information has been published by the U.S. Department of Education are as follows:

	Reserve Ratio				
	Federal Fiscal Year				
Guarantor	**2016**	**2017**	**2018**	**2019**	**2020***
ECMC	2.53%	3.23%	3.88%	4.92%	5.56%

* The U.S. Department of Education waived the Reserve Ratio requirement pursuant to its DCL GEN 21-03, and accordingly FSA has not published this ratio for FY21-FY24 at this time.

Claims Rates. ECMC's claims rate represents the percentage of federal reinsurance claims paid by the Secretary of the U.S. Department of Education during any fiscal year relative to ECMC's existing portfolio of loans in repayment at the end of the prior fiscal year. For the last five fiscal years for which information has been published by the U.S. Department of Education, ECMC's claims rate was as follows:

	Claims Rate				
	Federal Fiscal Year				
Guarantor	**2016**	**2017**	**2018**	**2019**	**2020***
ECMC	0.19%	0.05%	0.77%	1.19%	1.28%

* The U.S. Department of Education waived the Claims Rate (Trigger Rate) requirement pursuant to its DCL GEN 21-03, and accordingly FSA has not published this rate for FY21-FY24 at this time.

Recovery Rates. ECMC's recovery rate, which provides a measure of the effectiveness of the collection efforts against defaulting borrowers after the guarantee claim has been paid, is determined by dividing the amount recovered from borrowers by ECMC during the fiscal year by the aggregate amount of default claims paid by ECMC outstanding at the end of the prior fiscal year. For the past five federal fiscal years for which information has been published by the U.S. Department of Education, it published ECMC's Recovery Rate as follows:

	Recovery Rate				
	Federal Fiscal Year				
Guarantor	**2021**	**2022**	**2023**	**2024**	**2025***
ECMC	11.48%	4.91%	0.75%	1.80%	3.58%

* FY2025 through June 30, 2025.

ECMC has not reviewed any other section of this Offering Memorandum or any of the other offering documents. ECMC has no responsibility for any information contained therein.

DESCRIPTION OF THE NOTES

General

The notes will be issued pursuant to the terms of an Indenture of Trust dated as of October 1, 2025 between the trust and U.S. Bank National Association, not in its individual capacity, but solely as eligible lender trustee and as indenture trustee. The following summary describes the material terms of the indenture and the notes. However, it is not complete and is qualified in its entirety by the actual provisions of the indenture and the notes.

Neither the indenture trustee nor the eligible lender trustee participated in the preparation of this Offering Memorandum, and neither makes any representations concerning the notes, the collateral or any other matter stated in this Offering Memorandum. Neither the indenture trustee nor the eligible lender trustee has any duty or obligation to pay the notes from its own funds, assets or corporate capital or to make inquiry regarding, or investigate the use of, amounts disbursed from the trust estate.

Interest Payments

Interest will accrue on the notes during each interest accrual period. The initial interest accrual period for the notes begins on the closing date and ends on January 25, 2026. For all other monthly distribution dates, the interest accrual period will begin on the prior monthly distribution date and end on the day before such monthly distribution date.

Interest on the notes will be payable to the noteholders on each monthly distribution date commencing January 26, 2026. Subsequent monthly distribution dates for the notes will be on the twenty-fifth day of each month, or if any such day is not a business day, the next business day. Interest accrued but not paid on any monthly distribution date will be due on the next monthly distribution date together with an amount equal to interest on the unpaid amount at the applicable rate per annum described below.

Interest on the notes will accrue at a floating rate based on a "Benchmark," which will initially be the SOFR Rate, but will be replaced by the Benchmark Replacement following the occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date as described below. The interest rate on the class A-1 notes for each interest accrual period will be equal to the greater of the Benchmark (initially the SOFR Rate) and 0%, plus the interest rate margin set forth on the cover page of this Offering Memorandum for the class A-1 notes. The interest rate on the class A-2 notes for each interest accrual period will be equal to the greater of the Benchmark (initially the SOFR Rate) and 0%, plus the interest rate margin set forth on the cover page of this Offering Memorandum for the class A-2 notes. The interest rate on the class B notes for each interest accrual period will be equal to the greater of the Benchmark (initially the SOFR Rate) and 0%, plus the interest rate margin set forth on the cover page of this Offering Memorandum for the class B notes.

Failure to pay interest on the class B notes is not an event of default so long as any of the class A notes remain outstanding.

The administrator will determine the rate of interest on the notes on the interest determination date described below. The amount of interest distributable to holders of the notes for each $1,000 in principal amount will be calculated by applying the applicable interest rate for the interest accrual period to the principal amount of $1,000, multiplying that product by the actual number of days in the interest accrual period divided by 360, and rounding the resulting percentage figure to the fifth decimal point.

Calculation of the SOFR Rate. Pursuant to the Indenture, the administrator will determine the Benchmark (initially the SOFR Rate) for purposes of calculating the interest due on each class of notes for each interest accrual period on the second U.S. Government Securities Business Day prior to the commencement of such interest accrual period (each, an "interest determination date") as of the hereafter defined Reference Time on such interest determination date. For purposes of establishing an interest determination date, a business day is a U.S. Government Securities Business Day.

The "***SOFR Rate***" means, with respect to any class of notes as of any interest determination date, the rate determined by the administrator at the Reference Time equal to Compounded SOFR on such interest determination date; provided, that the administrator shall have the right, in its sole discretion, to make applicable SOFR Adjustment Conforming Changes. In addition, for purposes of this section and the rest of the Offering Memorandum, the following terms have the meanings shown below:

"***Compounded SOFR***" means, with respect to any U.S. Government Securities Business Day:

(a) the applicable compounded average of SOFR for a tenor of 30 days as published on such U.S. Government Securities Business Day at the Reference Time; or

(b) if the rate specified in clause (a) above does not so appear, the applicable compounded average of SOFR for a tenor of 30 days as published in respect of the first preceding U.S. Government Securities Business Day for which such rate appeared on the FRBNY's Website.

The specific Compounded SOFR rate is referred to by its tenor. For example, "30-day Average SOFR" refers to the compounded average SOFR over a rolling 30-calendar day period as published on the FRBNY's Website.

"***FRBNY***" means the Federal Reserve Bank of New York.

"***FRBNY's Website***" means the website of FRBNY currently at http://www.newyorkfed.org, or at such other page as may replace such page on the FRBNY's website.

"***Interest Determination Date***" means, with respect to each interest accrual period, the second U.S. Government Securities Business Day before the first day of such Interest Accrual Period.

"***Reference Time***" means, with respect to any determination of the Benchmark (a) if the Benchmark is based on SOFR, 3:00 p.m. (New York time) on the applicable Interest Determination Date, and (b) if the Benchmark is not SOFR, the time determined by the Administrator after giving effect to the Benchmark Replacement Conforming Changes.

"***SOFR***" with respect to any day means the secured overnight financing rate published for such day by the FRBNY, as the administrator of the benchmark, (or a successor administrator) on the FRBNY's Website, or any successor source.

"***SOFR Adjustment Conforming Changes***" means, with respect to any SOFR Rate, any technical, administrative or operational changes (including changes to the accrual period, timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the administrator decides, from time to time, may be appropriate to adjust such SOFR Rate in a manner substantially consistent with or conforming to market practice (or, if the administrator decides that adoption of any portion of such market practice is not administratively feasible or if the administrator determines that no market practice exists, in such other manner as the administrator determines is reasonably necessary).

"***U.S. Government Securities Business Day***" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Benchmark Transition Event. Notwithstanding the preceding paragraphs, if the administrator determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then current Benchmark for all purposes relating to each class of notes in respect of such determination on such date and all determinations on all subsequent interest determination dates. If the Benchmark for the notes changes from the SOFR Rate to another Benchmark, it is possible that the change may result in a deemed taxable exchange. Whether a particular investor recognizes gain will depend upon the investor's basis in the applicable class of notes, the relationship between the SOFR Rate and the other Benchmark at the time of the change, and other factors such as whether quotations on such class of notes are readily available.

In connection with the implementation of a Benchmark Replacement, the administrator will have the right from time to time to make "Benchmark Replacement Conforming Changes" from time to time, which are any technical, administrative or operational changes (including changes to the accrual period, timing and frequency of determining rates and making payments of interest, and other administrative matters) that the administrator decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the administrator decides that adoption of any portion of such market practice is not administratively feasible or if the administrator determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the administrator determines is reasonably necessary).

Notice of the occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date, the determination of a Benchmark Replacement and the making of any Benchmark Replacement Conforming Changes will be included in the monthly investor report. Notwithstanding anything in the transaction documents to the contrary, upon the inclusion of such information in the monthly investor report, the relevant transaction documents will be deemed to have been amended as of the applicable Benchmark Replacement Date to reflect the new Unadjusted Benchmark Replacement, Benchmark Replacement Adjustment and/or Benchmark Replacement Conforming Changes without further compliance with the amendment provisions of the relevant transaction documents.

Any determination, decision or election that may be made by the administrator in connection with a Benchmark Transition Event or Benchmark Replacement, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the administrator's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the notes, shall become effective without consent from any other party. None of the trust, the Delaware trustee, the indenture trustee, the eligible lender trustee, the administrator, the sponsor, the depositor, the master servicer or the subservicer will have any liability for any determination made by or on behalf of the trust in connection with a Benchmark Transition Event or a Benchmark Replacement as described above, and each registered owner, by its acceptance of a note or a beneficial interest in a note, will be deemed to waive and release any and all claims against the trust, the Delaware trustee, the indenture trustee, the eligible lender trustee, the administrator, the sponsor, the depositor, the master servicer or the subservicer relating to any such determinations.

For purposes of this section and the rest of the Offering Memorandum, the following terms have the meanings shown below:

"***Benchmark***" means, initially, the SOFR Rate; provided that if the administrator determines prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the SOFR Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"***Benchmark Replacement***" means, for any interest determination date after the administrator has determined that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the first alternative set forth in the order below that can be determined by the administrator, without obtaining the consent of any noteholders, as of the Benchmark Replacement Date:

(a) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then current Benchmark for the applicable Corresponding Tenor and (ii) the Benchmark Replacement Adjustment;

(b) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(c) the sum of: (i) the alternate rate of interest that has been selected by the administrator as the replacement for the then current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then current Benchmark for U.S. dollar denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment.

"***Benchmark Replacement Adjustment***" means, for any interest determination date after the administrator has determined that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the first alternative set forth in the order below that can be determined by the administrator, without obtaining the consent of any noteholder, as of the Benchmark Replacement Date:

(a) the spread adjustment (which may be a positive or negative value or zero), or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the administrator giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate securities at such time.

"***Benchmark Replacement Date***" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

"***Benchmark Transition Event***" means the occurrence of one or more of the following events with respect to the then current Benchmark (including the daily published component used in the calculation thereof):

(a) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"***Business Day***" means (a) for purposes of calculating the Benchmark, a U.S. Government Securities Business Day; and (b) for all other purposes, any day other than a Saturday, Sunday, holiday or other day on which banks located in New York, New York or the city in which the principal office of the indenture trustee is located, are authorized or permitted by law or executive order to close.

"***Corresponding Tenor***" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

"***ISDA Definitions***" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"***ISDA Fallback Adjustment***" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark.

"***ISDA Fallback Rate***" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"***Relevant Governmental Body***" means the Federal Reserve Board and/or the FRBNY, or a committee officially endorsed or convened by the Federal Reserve Board and/or the FRBNY or any successor thereto.

"***Unadjusted Benchmark Replacement***" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Principal Payments on the Notes

The monthly distribution date on which each class of the notes is due and payable in full is October 25, 2033 for the class A-1 notes and November 27, 2090 for the class A-2 notes and the class B notes. The actual date on which the final distribution on each class of notes will be made may be earlier than the maturity date set forth above as a result of a variety of factors.

Payments on the trust student loans will be allocated to pay principal on the notes on each monthly distribution date in an amount equal to the lesser of:

- the Principal Distribution Amount for that monthly distribution date; and
- funds available to pay principal as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein.

There may not be sufficient funds available to pay the full Principal Distribution Amount on each monthly distribution date. Amounts on deposit in the Reserve Fund, other than amounts in excess of the Reserve Fund minimum balance that are transferred to the Collection Fund, will not be available to make principal payments on a class of the notes except upon its final maturity or upon the exercise of the purchase option.

Principal will be paid, *first*, on the class A-1 notes until paid in full, *second*, on the class A-2 notes until paid in full and, *third,* on the class B notes until paid in full.

The term "Principal Distribution Amount" means, for any monthly distribution date, the amount, not less than zero, by which (a) the aggregate outstanding principal amount of the notes immediately prior to such monthly distribution date exceeds (b) the Adjusted Pool Balance for that monthly distribution date less the Specified Overcollateralization Amount. Notwithstanding the foregoing, (i) on or after the maturity date for a class of notes, the Principal Distribution Amount shall not be less than the amount that is necessary to reduce the outstanding principal balance of such class of notes to zero, and (ii) the Principal Distribution Amount shall not exceed the aggregate outstanding principal amount of the notes as of any monthly distribution date (before giving effect to any distributions on such monthly distribution date).

The term "Specified Overcollateralization Amount" means for any monthly distribution date, the greater of:

- 3.50% of the Adjusted Pool Balance for that monthly distribution date; and
- $4,000,000.

"Adjusted Pool Balance" means, for any monthly distribution date, the sum of the Pool Balance as of the end of the related collection period and the amounts on deposit in the Reserve Fund after giving effect to any payments to or releases from the Reserve Fund on such monthly distribution date.

The Principal Distribution Amount is intended to provide credit support so that, if sufficient funds are available on each monthly distribution date, the Adjusted Pool Balance will continue to exceed the aggregate outstanding principal amount of the notes by the greater of (a) 3.50% of the Adjusted Pool Balance for that monthly distribution date and (b) $4,000,000.

"Pool Balance" for any date means the aggregate principal balance of the trust student loans on that date, including accrued interest that is expected to be capitalized, as reduced by the principal portion of:

- all payments received by the trust through that date from borrowers, the guaranty agencies and the U.S. Department of Education;
- all amounts received by the trust through that date from purchases of student loans;
- all liquidation proceeds and realized losses on the student loans through that date;
- the amount of any adjustment to balances of the student loans that the master servicer or the subservicer makes under the master servicing agreement or the subservicing agreement through that date; and
- the amount by which guaranty agency reimbursements of principal on defaulted student loans through that date are reduced from 100% to 97%, or other applicable percentage, as required by the risk sharing provisions of the Higher Education Act.

In addition to the principal payments described above, on and after certain specified monthly distribution dates (if certain tests are met) or if the student loans are not sold when permitted pursuant to the optional purchase described below, the notes may receive supplemental payments of principal from certain money remaining in the Collection Fund as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein. Such supplemental payments of principal could result in the notes being paid in full prior to their final maturity.

Each principal payment on a class of notes will be allocated to all noteholders of such class of notes on a pro rata basis, based upon the principal amounts of such class of notes held by each such noteholder.

Optional Purchase

The depositor or its assignee may, but is not required to, repurchase the remaining student loans in the trust on any monthly distribution date when the Pool Balance is 10% or less of the initial Pool Balance. If this purchase option is exercised, the student loans will be sold to the depositor or its assignee and the proceeds will be used on the succeeding monthly distribution date to repay outstanding notes, which will result in early retirement of the notes. On the closing date, the depositor intends to assign its purchase option to Nelnet.

If the depositor or its assignee exercises its purchase option, the optional purchase amount will equal the amount that, when combined with amounts on deposit in the funds and accounts held under the indenture, would be sufficient to:

- reduce the outstanding principal amount of each class of notes then outstanding on the related monthly distribution date to zero;
- pay to each class of noteholders the interest payable on the related monthly distribution date;

- pay any unpaid servicing fees, carry-over servicing fees, administration fees, trustees' fees, expenses and indemnification, Finsight annual fees and rating agency surveillance fees; and

- pay any amounts due on any derivative product agreement.

Prepayment, Yield and Maturity Considerations

Each trust student loan provides for payments sufficient to amortize the outstanding principal balance of such trust student loan by its maturity date. Payments received on a trust student loan are applied first to pay any late fees, second to interest accrued on the trust student loan, and third to the unpaid principal balance of the trust student loan. Generally, all of the trust student loans are prepayable in whole or in part, without penalty, by the borrowers at any time, or as a result of a borrower's default, death, disability or bankruptcy and subsequent liquidation or collection of guarantee payments with respect to such student loans. The rates of payment of principal on the notes and the yield on the notes may be affected by prepayments of the trust student loans. Because prepayments generally will be paid through to noteholders as distributions of principal, it is likely that the actual final payments on one or more classes of the notes will occur prior to their respective final maturity dates. Accordingly, if the trust student loans experience significant prepayments, the actual final payments on a class of the notes may occur substantially before its final maturity date, causing a shortening of such class of the notes' weighted average life. Weighted average life refers to the average amount of time that will elapse from the date of issuance of a note until each dollar of principal of such note will be repaid to the investor.

The rate of prepayments on the trust student loans cannot be predicted and may be influenced by a variety of economic, social and other factors. Economic factors include interest rates, unemployment levels, housing price declines, commodity prices, adjustments in the borrower's payment obligations under other indebtedness incurred by the borrower, the rate of inflation and consumer perceptions of economic conditions generally. Social factors include changes in consumer confidence levels and changing attitudes in respect of incurring debt and changing attitudes regarding the stigma of personal bankruptcy. Economic conditions may also be impacted by global or localized economic or political conditions, weather events, environmental disasters, national or localized outbreaks of a highly contagious or epidemic disease or pandemics and any related quarantines and terrorist events or wars or a deterioration or improvement in economic conditions in one of the markets where borrowers of the trust student loans are concentrated. Generally, the rate of prepayments may tend to increase to the extent that alternative financing becomes available on more favorable terms or at interest rates significantly below the interest rates payable on the trust student loans. In addition, the depositor is obligated to repurchase any student loan as a result of a breach of any of its representations and warranties relating to the trust student loans, and the master servicer is obligated to cause the subservicer to repurchase any student loan as a result of a breach of certain covenants with respect to such student loan, in the event such breach materially adversely affects the interests of the trust in that student loan and is not cured within the applicable cure period. In addition, defaults on student loans result in guarantee payments being made on the student loans, which will accelerate the prepayment of the notes. Approximately $81,482,889.03 of the principal amount of the student loans (representing approximately 11.51% of the student loans by principal amount as of the statistical cut-off date) to be acquired by the trust are "rehabilitation loans," which are student loans that have previously defaulted, but for which the borrower thereunder has made a specified number of on-time payments as described in "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Insurance and Guarantees—*Rehabilitation of Defaulted Loans*" hereto. Although rehabilitation loans benefit from the same guarantees as other FFELP student loans, rehabilitation loans have generally experienced re-default rates that are higher than default rates for FFELP student loans that have not previously defaulted.

Scheduled payments with respect to, and maturities of, the trust student loans may be extended, including pursuant to grace periods, deferral periods and forbearance periods. Furthermore, borrowers under the trust student loans may enroll in income-based repayment plans, which may reduce the borrowers' monthly payments required to be made under the trust student loans and delay principal payments to you. See the caption "Repayment" in "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto. The rate of payment of principal on the notes and the yield on the notes may also be affected by the rate of defaults resulting in losses on the trust student loans that may have been liquidated, by the severity of those losses and by the timing of those losses, which may affect the ability of the guaranty agencies to make guarantee payments on such student loans. In addition, the maturity of certain of the trust student loans may extend beyond the final maturity dates for the notes.

See "APPENDIX A—WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES AND PERCENTAGES OF ORIGINAL PRINCIPAL REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES FOR THE NOTES" hereto.

SECURITY AND SOURCES OF PAYMENT FOR THE NOTES

General

The notes are our limited obligations, secured by and payable solely from the trust estate. The following assets serve as security for the notes:

- revenues, consisting of all principal and interest payments, proceeds, charges and other income received by the indenture trustee or us, on account of any student loan, including payments of and any guarantee proceeds with respect to, interest, interest benefit payments and any special allowance payments with respect to any student loan, and investment income from all funds created under the indenture and any proceeds from the sale or other disposition of the student loans;

- all moneys and investments held in the funds created under the indenture;

- rights under any derivative product agreement that may be provided for the benefit of the trust; and

- student loans purchased with money from the acquisition fund or otherwise acquired and pledged or credited to the acquisition fund.

The trust may enter into derivative products upon satisfaction of the rating agency condition. The trust's obligations under these derivative products (except for certain termination payments) will be on a parity with the class A notes.

Funds

The following funds will be created by the indenture trustee under the indenture for the benefit of the noteholders:

- Acquisition Fund;

- Collection Fund;

- Department Rebate Fund; and
- Reserve Fund.

Acquisition Fund

On the closing date, we will deposit into the Acquisition Fund the proceeds from the sale of the notes (less amounts deposited into the Reserve Fund), along with an additional contribution received from the sponsor, which we will use to purchase student loans. The trust will purchase the student loans for a price equal to 100% of their aggregate outstanding principal balance as of the cut-off date plus accrued interest to and including the cut-off date. Interest that accrues on the trust student loans subsequent to the cut-off date but prior to the closing date will be paid to the depositor as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein.

Collection Fund

The indenture trustee will deposit into the Collection Fund all revenues derived from student loans, money or assets on deposit in the trust, amounts received under any joint sharing agreement, all amounts transferred from the Acquisition Fund, the Department Rebate Fund and the Reserve Fund and any payments received from a counterparty to any derivative product agreement. Money on deposit in the Collection Fund will be used to pay the trust's operating expenses (which include amounts owed to the U.S. Department of Education and the guaranty agencies, amounts due under any joint sharing agreement, servicing fees, carry-over servicing fees, trustees' fees, administration fees, Finsight annual fees and rating agency surveillance fees), amounts due to any counterparty on any derivative product agreement and interest and principal on the notes. See the caption "Flow of Funds" below.

Department Rebate Fund

The indenture trustee will establish a Department Rebate Fund as part of the trust estate. The Higher Education Act requires holders of student loans first disbursed on or after April 1, 2006 to rebate to the Department of Education interest received from borrowers on such student loans that exceeds the applicable special allowance support levels. We expect that the Department of Education will reduce the special allowance and interest subsidy payments payable to the trust by the amount of any such rebates owed by the trust. However, in certain circumstances the trust may owe a payment to the Department of Education or another trust pursuant to a joint sharing agreement. If the administrator believes that the trust is required to make any such payment, the administrator will direct the indenture trustee to deposit into the Department Rebate Fund from the Collection Fund the estimated amounts of any such payments. Money in the Department Rebate Fund will be transferred to the Collection Fund to the extent amounts have been deducted by the Department of Education from payments otherwise due to the trust, or will be paid to the Department of Education or another trust if necessary to discharge the trust's rebate obligation. See "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM—Special Allowance Payments" hereto.

Reserve Fund

A deposit will be made to the Reserve Fund from the proceeds of the sale of the notes in an amount equal to $17,697,500. On each monthly distribution date, to the extent that money in the Collection Fund is not sufficient to pay certain of the trust's operating expenses, including amounts owed to the U.S. Department of Education and the guaranty agencies (other than transfers to repurchase student loans), amounts due under any joint sharing agreement, servicing fees, trustees' fees, administration fees, Finsight annual fees, rating agency surveillance fees, interest then due on the notes and amounts due to any counterparty on any derivative product agreement (other than certain termination payments), the amount of the deficiency will be paid directly from the Reserve Fund. Money withdrawn from the Reserve Fund will be restored through transfers from the Collection Fund as available. For any monthly distribution date, the Reserve Fund is subject to a minimum amount equal to the greater of:

- (i) for any monthly distribution date occurring prior to the May 2027 monthly distribution date, 2.50% of the aggregate outstanding principal amount of the notes as of the close of business on the last day of the related collection period, (ii) for any monthly distribution date occurring on and after the May 2027 monthly distribution date and prior to the November 2028 monthly distribution date, 1.00% of the aggregate outstanding principal amount of the notes as of the close of business on the last day of the related collection period, and (iii) for any monthly distribution date occurring on and after the November 2028 monthly distribution date, 0.75% of the aggregate outstanding principal amount of the notes as of the close of business on the last day of the related collection period; and

- 0.10% of the original aggregate outstanding principal amount of the notes, which amount may be satisfied with cash or permitted securities.

Notwithstanding the foregoing, the amount on deposit in the Reserve Fund will not exceed the outstanding principal amount of the notes, and the minimum amount on deposit in the Reserve Fund may be reduced if we satisfy the rating agency condition.

The Reserve Fund is intended to enhance the likelihood of timely distributions of interest to the noteholders and to decrease the likelihood that the noteholders will experience losses. In certain circumstances, however, the Reserve Fund could be partially or fully depleted. This depletion could result in shortfalls in distributions to noteholders. Except on the final maturity date of a class of notes, amounts on deposit in the Reserve Fund, other than amounts in excess of the Reserve Fund minimum balance that are transferred to the Collection Fund, will not be available to cover any principal payment shortfalls. On the final maturity date of a class of the notes or upon the exercise of the purchase option (see the caption "DESCRIPTION OF THE NOTES—Optional Purchase" herein), amounts on deposit in the Reserve Fund will be available to pay principal on such class of notes and accrued interest.

Flow of Funds

On each monthly distribution date, prior to an event of default, available funds in the Collection Fund (which may include under certain circumstances money deposited in the Collection Fund during the current collection period) will be used to make the following deposits and distributions, in the following order:

- to the master servicer, the indenture trustee, the eligible lender trustee and the Delaware trustee, pro rata, the servicing fees and the trustees' fees and Delaware trustee expenses and indemnification amounts due on such monthly distribution date; [1]

- to the administrator, Finsight and Moody's, pro rata, the administration fee and any prior unpaid administration fees, Finsight annual fees and the rating agency surveillance fees;

- to the class A noteholders, to pay interest due on such class A notes, and to any counterparty to pay amounts due on any derivative product agreement pari passu with the class A notes (other than certain termination payments);

[1] The payment of expenses and indemnification amounts pursuant to this clause is subject to certain annual limitations. See the caption "FEES AND EXPENSES" herein.

- to the class B noteholders, to pay interest due on such class B notes;

- to the depositor, an amount equal to the unpaid interest accrued on the student loans subsequent to the cut-off date but prior to the closing date, until this amount has been paid in full;

- to the Reserve Fund, the amount, if any, necessary to restore the Reserve Fund to the Reserve Fund minimum balance;

- to the applicable noteholders, the Principal Distribution Amount, *first*, to pay principal to the class A-1 noteholders until the class A-1 notes have been paid in full, *second*, to pay principal to the class A-2 noteholders until the class A-2 notes have been paid in full, and *third*, to pay principal to the class B noteholders until the class B notes have been paid in full;

- to a derivative product counterparty, if any, any accrued and unpaid termination payments due to such counterparty under the applicable derivative product agreement;

- (A) on and after the December 2034 monthly distribution date or (B) if the student loans are not sold when permitted pursuant to the optional purchase, to pay as accelerated payments of principal, *first*, to pay principal to the class A-1 noteholders until the class A-1 notes have been paid in full, *second*, to pay principal to the class A-2 noteholders until the class A-2 notes have been paid in full, and *third*, to pay principal to the class B noteholders until the class B notes have been paid in full;

- pro rata, to pay to (i) the master servicer, the aggregate unpaid amount of any carry-over servicing fees, if any, and (ii) the Delaware trustee, any Delaware trustee fees, expenses and indemnification amounts due and payable but in excess of the cap applicable to payments under the first bullet above; and

- to the trust, any remaining amounts for distribution to the certificate holders of the trust.

Notwithstanding the foregoing, on the final maturity date for the notes, such class A notes will receive payments of principal in an amount necessary to pay each class of the class A notes in full prior to the class B notes receiving payments of interest.

Investment of Funds Held by Indenture Trustee

The indenture trustee will invest amounts credited to any fund established under the indenture in investment securities described in the indenture pursuant to orders received from us. In the absence of an order, and to the extent practicable, the indenture trustee will invest amounts held under the indenture in money market funds.

The indenture trustee is not responsible or liable for any losses on investments made by it or for keeping all funds held by it fully invested at all times. Its only responsibility is to comply with investment instructions in a non-negligent manner.

CREDIT RISK RETENTION

Regulation RR was adopted jointly by the Securities and Exchange Commission ("SEC") and various federal banking and housing agencies in October 2014, pursuant to the requirements of the Dodd-Frank Act. Regulation RR applies to sponsors of virtually all asset-backed securitizations, whether the asset-backed securities are publicly or privately offered, and requires the sponsor of an asset-backed securitization transaction or a majority-owned affiliate of the sponsor to retain an economic interest in not less than 5% of the credit risk of securitized assets using specific methods prescribed by Regulation RR. The required interest may be retained in one of several forms, including vertical, horizontal, or a combined method. Retained credit risk exposure generally may not be transferred (other than to a sponsor's majority-owned affiliate), hedged, or financed by nonrecourse debt, though there are sunset timeframes under which most of these restrictions will expire.

Pursuant to Regulation RR (i) for a securitization transaction that is collateralized solely (excluding servicing assets as defined in Regulation RR) by FFELP loans that are guaranteed as to 100% of defaulted principal and accrued interest, the risk retention requirement is 0%, (ii) for a securitization transaction that is collateralized solely (excluding servicing assets) by FFELP loans that are guaranteed as to at least 98% but less than 100% of defaulted principal and accrued interest, the risk retention requirement is 2% and (iii) for any other securitization transaction that is collateralized solely (excluding servicing assets) by FFELP loans, the risk retention requirement is 3%.

In no event will the Delaware trustee have any responsibility to monitor compliance with or enforce compliance with the credit risk retention requirements for asset-backed securities or other rules or regulations relating to risk retention. The Delaware trustee will not be charged with knowledge of such rules, nor will it be liable to any noteholder, certificateholder, the depositor, the master servicer, the administrator or any other person for violation of such rules now or hereinafter in effect. The Delaware trustee will not be required to monitor, initiate or conduct any proceedings to enforce the obligations of the trust, the depositor, the master servicer, the administrator or any other person with respect to any breach of representation or warranty under any transaction document and the Delaware trustee will not have any duty to conduct any investigation as to the occurrence of any condition requiring the repurchase or substitution of any receivable by any person pursuant to any transaction document.

In no event shall the indenture trustee or the eligible lender trustee have any responsibility to monitor compliance with Regulation RR or any other rules or regulations regarding risk retention. The indenture trustee and the eligible lender trustee shall not be charged with knowledge of such rules, nor shall they be liable to any noteholder or any other party or person for a violation of such rules and regulations now or hereinafter in effect.

Eligible Horizontal Residual Interest

The sponsor will satisfy the risk retention requirement of Regulation RR by having its wholly-owned affiliate, the depositor, retain the trust certificate issued pursuant to the trust agreement, which trust certificate has been structured to satisfy the requirements of an "eligible horizontal residual interest" under Regulation RR. The fair value of the trust certificate is anticipated to exceed 3% of the sum of the fair values of the notes and the trust certificate on the closing date. Unless the sponsor is no longer subject to the risk retention requirements of Section 15G of the Securities Exchange Act, and the regulations promulgated thereunder, the trust agreement prohibits the transfer of the trust certificate to any person or entity other than the sponsor, or a majority-owned affiliate of the sponsor, including the depositor, until the latest to occur of: (1) the date which is two years after the closing date, (2) the date the pool balance is reduced to 33% or less of the pool balance as of the closing date or (3) the date the principal amount of the notes is reduced to 33% or less of the original principal amount of the notes. The trust certificate will not bear interest and will not have a principal balance. Distributions, if any, on the trust certificate will be made from amounts released to the trust, after all payments due on the notes on the related monthly distribution date have been paid. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES—Flow of Funds" herein. In addition, except as provided in Regulation RR, the sponsor, and any affiliate of the sponsor, including the depositor, is prohibited from directly or indirectly hedging or otherwise transferring the credit risk that the sponsor is required to retain pursuant to Regulation RR.

Pursuant to Regulation RR, the sponsor is required to determine the fair values of each class of the notes and the trust certificate using a fair value measurement framework under U.S. generally accepted accounting principles. The amount of the eligible horizontal residual interest, expressed as a percentage, is equal to the fair value of the eligible horizontal residual interest divided by the fair value of all ABS interests issued in the securitization transaction, being the notes and the trust certificate. Under U.S. generally accepted accounting principles, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase consistency and comparability in fair value measurements and related disclosures, the fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs, each as described below:

- Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;

- Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for identical or similar assets or liabilities; and

- Level 3 – inputs are unobservable inputs for the asset or liability, including the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

Fair Value of Notes. Based upon the pricing of the notes (a Level 1 input), (a) the fair value of the class A-1 notes is assumed to equal 100.00000% of the initial principal balance of the class A-1 notes, assuming the interest rate on the class A-1 notes will be the SOFR Rate plus an interest rate margin of 0.75%, (b) the fair value of the class A-2 notes is assumed to equal 100.00000% of the initial principal balance of the class A-2 notes, assuming the interest rate on the class A-2 notes will be the SOFR Rate plus an interest rate margin of 0.95%, and (b) the fair value of the class B notes is assumed to equal 100.00000% of the initial principal balance of the class B notes, assuming the interest rate on the class B notes will be the SOFR Rate plus an interest rate margin of 1.00%.

Fair Value of Trust Certificate. The fair value of the trust certificate is determined using the sponsor's key inputs and assumptions and its internal valuation models as the inputs are generally not observable (Level 3 inputs). The sponsor's model projects the anticipated collections and payments in respect of the trust student loans, including interest and principal payments of the trust student loans (including special allowance payments and interest subsidy payments), defaults and recovery payments of the trust student loans, interest and principal payments on the notes, required payments from the reserve account, trust transaction fees and expenses and the servicing fee. The resulting cash flows to the trust certificate are discounted to the present value based on a discount rate that reflects the credit exposure to these cash flows.

In making these calculations, the sponsor made the following assumptions:

- interest accrues on each class of the notes at the rates described above;
- the SOFR Rate is assumed to reset consistent with the forward rate curve as of January 4, 2025;
- principal and interest payments for the trust student loans are calculated using the characteristics described under the caption "CHARACTERISTICS OF THE STUDENT LOANS" herein;
- the constant default rates on the trust student loans are 1%, applied to the principal balance and the accrued interest to be capitalized of the trust student loans, determined as described below;
- recovery rates on defaulted trust student loans are applied in a range of 97% to 98% of the outstanding principal balance and accrued interest of the trust student loans in accordance with the level of guarantee applicable to the trust student loans and occur at the time of default;
- borrower benefits are applied to the principal balance of the trust student loans not in a school or grace status as a constant yield reduction of 0.24%, based upon the utilization of borrower benefits as of the statistical cut-off date;
- the constant prepayment rate of 6% on the trust student loans reflecting all sources of prepayment, and are applied in accordance with the constant prepayment rates described in "APPENDIX A—WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES AND PERCENTAGES OF ORIGINAL PRINCIPAL REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES FOR THE NOTES" hereto;
- the discount rate applied to the cash flows for the trust certificate is 10%, as determined in accordance with the discount rate methodology described below;
- the trust's fees are consistent with the fees described under the caption "FEES AND EXPENSES" herein
- amounts on deposit in the Collection Fund, including reinvestment income earned on such account in the previous month, Department Rebate Fund and Reserve Fund are reinvested in eligible investments at the assumed reinvestment rate of the 91-day Treasury bill rate per annum through the end of the collection period or the related monthly distribution date, as applicable; reinvestment earnings from the prior period are available for distribution;
- each trust student loan receives the payment of the quarterly special allowance payment and interest subsidy payment at the full and undiminished rate for such student loan as described under "APPENDIX B—DESCRIPTION OF THE FEDERAL FAMILY EDUCATION LOAN PROGRAM" hereto, and there are government payment delays of 60 calendar days for such interest subsidy and special allowance payments; and

- the notes will be redeemed on the monthly distribution date immediately following the date on which the Pool Balance is 10% or less of the initial Pool Balance and the remaining trust student loans will be acquired at par.

The sponsor developed these inputs and assumptions considering the following factors:

- *Constant default rate* – Each constant default rate is stated as an annualized rate and is calculated as the percentage of the loan amount outstanding at the beginning of a period (including accrued interest to be capitalized), after applying defaults and scheduled payments, that are paid during that period (the "CDR"). The CDR model assumes that student loans will default in each month according to the following formula:

$$\text{Monthly Defaults} = (\text{Balance (including accrued interest to be capitalized) after defaults and scheduled payments}) \times (1-(1-\text{CDR})^{1/12}).$$

- *Borrower benefit yield impact* – This represents the annualized yield reduction on the principal balance of the trust student loans not in a school or grace status due to the utilization of available borrower benefits. The yield impact of the utilization of borrower benefits on the trust student loans is based upon the utilization of borrower benefits as of the statistical cut-off date.

- *Discount rate* – The discount rate represents the rate used in discounted cash flow analysis to determine the present value of future cash flows of the trust certificate. This rate represents our estimate of the sum of the risk-free rate, a market premium reflecting the perceived riskiness of this cash flow, and a liquidity premium. The discount rate is further informed by observed discount rates at which similar cash flows have been recently traded, if any.

The sponsor developed these inputs and assumptions for each of its various loan products by reviewing several factors, including the composition of the trust student loan pools, the performance of certain FFELP loans serviced by Nelnet and its affiliates, including its prior securitized pools and economic conditions. The inputs and assumptions described above include all inputs and assumptions that could reasonably be expected to have a material impact on the fair value calculation or would be material to a prospective investor's ability to evaluate the sponsor's fair value calculation.

Fair Value Calculations

Based on the assumptions and methodologies described above, as of the closing date, the fair values of each class of the notes and the trust certificate are expected to be:

ABS interests	Fair Value	Percentage
Class A-1 Notes	$168,200,000.00	23.01%
Class A-2 Notes	525,000,000.00	71.82
Class B Notes	14,700,000.00	2.01
Trust Certificate	23,084,730.96	3.16
Total	$730,984,730.96	100.00%

The sponsor will recalculate the fair value of each class of the notes and the trust certificate following the closing date to reflect the issuance of the notes and any changes in the methodologies or inputs and assumptions described above. The fair value of the trust certificate as a percentage of the fair value of all ABS interests issued in the transaction will be included in the first distribution report, together with a description of any changes in the methodologies or inputs and assumptions used to calculate the fair value.

Any information contained herein with respect to the trust certificate is provided only to facilitate a better understanding of the notes.

BOOK-ENTRY REGISTRATION

General

Investors acquiring beneficial ownership interests in the notes issued in book-entry form may hold their notes, in the United States through DTC (as defined under the caption "Depositary Institutions" below) or in Europe through Clearstream (as defined under the caption "Depositary Institutions" below), if those investors are participants of such systems, or indirectly through organizations which are participants in such systems.

None of the trust, the master servicer, the subservicer, the indenture trustee or the initial purchasers will have any responsibility or obligation to any DTC participants, Clearstream participants or the persons for whom they act as nominees with respect to the accuracy of any records maintained by DTC or Clearstream or any participant, the payment by DTC or Clearstream or any participant of any amount due to any beneficial owner in respect of the principal amount or interest on the notes, the delivery by any DTC participant or Clearstream participant of any notice to any beneficial owner which is required or permitted under the terms of the indenture to be given to noteholders or any other action taken by DTC.

In certain circumstances, the trust may discontinue use of the system of book-entry transfers through DTC or a successor securities depository. In that event, note certificates will be printed and delivered. DTC may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to the trust or the indenture trustee. If a successor securities depository is not obtained, note certificates ("Individual Notes") are required to be printed and delivered.

Form, Denomination and Trading

Form and Denomination. The notes will be issued in fully registered form. The notes will be represented by registered notes in global form. You will not receive a certificate representing your notes except in very limited circumstances.

Notes offered and sold in reliance on Rule 144A will be issued in the form of one or more global notes in definitive, fully registered form (the "Rule 144A Global Notes") and will be deposited with the indenture trustee, as a custodian for The Depository Trust Company ("DTC"), and registered in the name of Cede & Co. ("Cede"), a nominee of DTC (or such other nominee as may be requested by an authorized representative of DTC), for credit to the respective accounts of the purchasers of such notes at DTC. The Rule 144A Global Notes (and any notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein and in the indenture and will bear the legend regarding such restrictions set forth under the caption "NOTICE TO INVESTORS" herein.

Notes ("Regulation S Notes") sold in offshore transactions in reliance on Regulation S ("Regulation S") under the Securities Act (a purchaser in such a transaction, a "Regulation S Purchaser") will be represented by one or more global notes in definitive, fully registered form without interest coupons (the "Regulation S Global Notes," and together with the Rule 144A Global Notes, the "Global

Notes") registered in the name of Cede, as nominee of DTC (or such other nominee as may be requested by an authorized representative of DTC), and deposited with the indenture trustee as custodian for DTC.

The notes will be issued in minimum denominations of U.S. $100,000 and in integral multiples of U.S. $1,000 in excess thereof.

Global Notes. DTC will record electronically the outstanding principal amount of the notes represented by a U.S. global note certificate held within its system. DTC will hold interests in a U.S. global note certificate on behalf of its account holders through customers' securities accounts in DTC's name on the books of its depositary. Clearstream will hold omnibus positions on behalf of its participants through customers' securities accounts in Clearstream's name on the books of its respective depositary which in turn will hold positions in customers' securities accounts in such depositary's name on the books of DTC.

The notes offered hereby and sold in reliance on Rule 144A will be represented initially by Rule 144A Global Notes. No person other than a "qualified institutional buyer" (as defined in Rule 144A) (a "QIB") may own a beneficial interest in the Rule 144A Global Notes.

The notes sold in offshore transactions in reliance on Regulation S will be represented initially by Regulation S Global Notes. Prior to and including the fortieth day after the later of the commencement of the offering and the date of original issuance of the notes (the "Restricted Period"), beneficial interests in the Regulation S Global Notes may be held only through Clearstream. The Regulation S Global Notes and any Individual Notes issued in exchange therefor after the Restricted Period will be subject to certain restrictions on transfer set forth herein and in the indenture. No person other than a Regulation S Purchaser may own a beneficial interest in the Regulation S Notes.

During the Restricted Period, a beneficial interest in a Regulation S Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in a Rule 144A Global Note only upon receipt by the indenture trustee of a written certificate in the form required under the indenture from the transferor to the effect that such transfer is being made to a person who the transferor reasonably believes is purchasing for its own account or accounts as to which it exercises sole investment discretion and that such person and each such account is a QIB, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After the Restricted Period, such transfer shall only be made upon receipt by the indenture trustee of a written certification by the proposed transferee to the effect that such transferee is a QIB; provided, however, that such a written certification need not be received by the indenture trustee if the proposed transferee is listed in the latest available S&P Rule 144A list of QIBs or other industry recognized subscriber services listing QIBs.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in a Regulation S Global Note during the Restricted Period only upon receipt by the indenture trustee of a written certification from the transferor in the form required under the indenture to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S and that the interest transferred will be held immediately thereafter through Clearstream. After the Restricted Period, such transfer shall only be made upon receipt by the indenture trustee of a written certification from the transferor in the form required under the indenture to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144A under the Securities Act; provided, however, that such a written certification need not be received by the indenture trustee if the proposed transferee is listed in the latest available S&P Rule 144A list of QIBs or other industry recognized subscriber services listing QIBs.

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Note will, upon transfer, cease to be a beneficial interest in such Global Note and become a beneficial interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Note for as long as it remains an interest therein.

No holder of a beneficial interest in a Global Note will be entitled to receive an Individual Note representing its interest in such Global Note, except under the limited circumstances described under the caption "*Individual Notes*" below. Unless and until Individual Notes are issued in respect of the Global Notes, all references to actions by holders of the Global Notes will refer to actions taken by DTC upon instructions received from holders of beneficial interests in Global Notes through its participating organizations (together with Clearstream participating organizations, the "participants"), and all references herein to payments, notices, reports and statements to holders of notes in global form will refer to payments, notices, reports and statements to DTC or its custodian, as the registered holder of the Global Notes, for distribution to holders of beneficial interests in Global Notes through its participants in accordance with DTC procedures.

Unless and until Individual Notes are issued in respect of the Global Notes, beneficial interests in the Global Notes will be transferred on the book-entry records of DTC and its participants. The indenture trustee will not record or otherwise provide or be responsible for the registration of such transfers.

QIBs and Regulation S Purchasers who are owners of notes may hold their notes through DTC (in the United States) or Clearstream (in Europe) if they are participants of such system, or indirectly through organizations that are participants in such systems. Clearstream will hold omnibus positions on behalf of the participants through customers' securities accounts in Clearstream's name on the books of their respective depositories (collectively, the "Depositories") which in turn will hold such positions in customers' securities accounts in the Depositories' names on the books of DTC.

Transfers between DTC participants will occur in accordance with DTC rules. Transfers between Clearstream participants will occur in accordance with their applicable rules and operating procedures.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants, on the other, will be effected in DTC in accordance with DTC Rules on behalf of the relevant European international clearing system by its depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants may not deliver instructions to the depositaries.

Because of time-zone differences, credits of securities received in Clearstream as a result of a transaction with a participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such securities settled during such processing will be reported to the relevant Clearstream participants on such business day. Cash received in Clearstream as a result of sales of securities by or through a Clearstream participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream cash account only as of the business day following settlement in DTC.

Although DTC and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the notes among participants of DTC and Clearstream, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

Individual Notes. If DTC is at any time unwilling or unable to continue as a depository, notes in definitive registered form will be issued to the beneficial owners in exchange for the Global Notes. In such event, Individual Notes delivered in exchange for the Global Notes or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by DTC.

In the case of Individual Notes issued in exchange for a Global Note, such Individual Notes will bear the legend referred to under the caption "NOTICE TO INVESTORS" herein (unless the administrator determines otherwise in accordance with applicable law). The holders of a registered Individual Note may transfer such Individual Note, subject to compliance with the provisions of such legend, by surrendering it at the office or agency maintained for such purpose, which initially will be the office of the indenture trustee.

Identification Numbers and Payments on the Global Notes

The trust will apply to DTC for acceptance in its book-entry settlement systems of the notes. The notes will have the CUSIP numbers and ISINs, as applicable, set forth in this Offering Memorandum under those respective headings under the "SUMMARY OF TERMS" herein. Payments of principal, interest and any other amounts payable under each Global Note will be made to or to the order of the relevant clearing system's nominee as the registered holder of such Global Note.

Because of time zone differences, payments to noteholders that hold their positions through a European clearing system will be made on the business day following the applicable monthly distribution date. No payment delay to noteholders holding notes clearing through DTC will occur on any monthly distribution date, unless, as set forth above, those noteholders' interests are held indirectly through participants in European clearing systems.

Depositary Institutions

The Depository Trust Company, or DTC, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered under Section 17A of the Securities Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market investments (from over 100 countries) that DTC participants (the "direct participants") deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly ("indirect participants"). DTC has an S&P rating of "AA+." The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission.

Purchases of the notes under the DTC system must be made by or through direct participants, which receive a credit for the notes on DTC records. The ownership interest of each actual purchaser of the notes, or beneficial owner, is in turn to be recorded on the direct and indirect participants' records. Beneficial owners shall not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the notes, except in the event that use of the book-entry system for the notes is discontinued.

To facilitate subsequent transfers, all notes deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of such notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of notes; DTC's records reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. The direct and indirect participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Principal and interest payments on notes are to be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from the trust on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and shall be the responsibility of the participant and not of DTC, the indenture trustee or the trust, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the trust, or the indenture trustee. Disbursement of such payments to direct participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of direct and indirect participants. Under a book-entry format, noteholders may experience a delay in their receipt of payments, since payments will be forwarded by the indenture trustee to Cede & Co., which will forward the payments to its participants who will then forward them to indirect participants or noteholders.

Redemption notices shall be sent to DTC. If less than all of the notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in the notes to be redeemed.

DTC has advised that it will take any action permitted to be taken by a noteholder under the indenture only at the direction of one or more participants to whose accounts with DTC the notes are credited. Clearstream will take any action permitted to be taken by a noteholder under the indenture on behalf of a participant only in accordance with their relevant rules and procedures and, in the case of Clearstream, subject to the ability of the relevant depositary to effect these actions on its behalf through DTC.

Neither DTC nor Cede & Co. will consent or vote with respect to the notes. Under its usual procedures, DTC mails an omnibus proxy to the trust, or the indenture trustee, as appropriate, as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the notes are credited on the record date.

Clearstream Banking, société anonyme ("Clearstream") is incorporated under the laws of Luxembourg as a depository of securities and other financial instruments which operates a securities settlement system and as such, is supervised by the Central Bank of Luxembourg. Clearstream facilitates the settlement and custody of securities transactions between customers of Clearstream through electronic book-entry changes in accounts of these customers, thereby eliminating the need for physical movement of certificates. Clearstream provides to its customers, among other things, services for safekeeping, administration, settlement and custody of securities, as well as collateral management, securities lending and borrowing services.

Clearstream's customers are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of Clearstream.

Distributions with respect to notes held through Clearstream will be credited to the cash accounts of Clearstream participants in accordance with the relevant system's rules and procedures, to the extent received by its depositary. Those distributions will be subject to tax reporting in accordance with relevant United States tax laws and regulations (see the caption "CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS" herein). Clearstream will take any other action permitted to be taken by a noteholder under the indenture on behalf of a Clearstream participant only in accordance with the relevant rules and procedures and subject to the relevant Depositary's ability to effect such actions on its behalf through DTC.

Although DTC and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in Global Notes among participants of DTC and Clearstream, they are under no obligation to perform or continue to perform these procedures and these procedures may be discontinued at any time.

SUMMARY OF THE INDENTURE PROVISIONS

The following is a summary of some of the provisions contained in the indenture. This summary is not comprehensive and reference should be made to the indenture for a full and complete statement of its provisions.

Parity and Priority of Lien

The provisions of the indenture are for the equal benefit, protection and security of the registered owners of all of the notes. However, the class A notes have priority over the class B notes with respect to payments of principal and interest and the direction of certain remedies upon an event of default thereunder.

The revenues and other money, student loans and other assets pledged under the indenture will be free and clear of any pledge, lien, charge or encumbrance, other than that created by the indenture. The trust:

- will not create or voluntarily permit to be created any debt, lien or charge on the student loans which would be on a parity with, subordinate to, or prior to the lien of the indenture;
- will not take any action or fail to take any action that would result in the lien of the indenture or the priority of that lien for the obligations thereby secured being lost or impaired; and
- will pay or cause to be paid, or will make adequate provisions for the satisfaction and discharge, of all lawful claims and demands which if unpaid might by law be given precedence to or any equality with the indenture as a lien or charge upon the student loans.

Representations and Warranties

The trust will represent and warrant in the indenture that:

- it is duly authorized under the Delaware Statutory Trust Act to create and issue the notes and to execute and deliver the indenture and any derivative product, and to make the pledge to the payment of notes and of any derivative products under the indenture;
- all necessary trust action for the creation and issuance of the notes and the execution and delivery of the indenture and any derivative product has been duly and effectively taken; and
- the notes in the hands of the registered owners of the notes and any derivative product are and will be valid and enforceable obligations of the trust secured by and payable solely from the trust estate.

Sale of Student Loans Held in Trust Estate

Except under the circumstances described in this Offering Memorandum, student loans may not be sold, or otherwise disposed of, by the indenture trustee free from the lien of the indenture while any notes are outstanding. However, the trust may sell student loans so long as (a) the aggregate amount of such student loans does not exceed 2% of the initial Pool Balance, and (b) such sale of student loans will not cause a material change in the overall composition of the pool of student loans.

Further Covenants

The trust will file financing statements and continuation statements in any jurisdiction necessary to perfect and maintain the security interest it grants under the indenture.

Upon written request of the indenture trustee, the trust will permit the indenture trustee or its agents, accountants and attorneys, to examine and inspect the property, books of account, records, reports and other data relating to the student loans, and will furnish the indenture trustee such other information as it may reasonably request. The indenture trustee shall be under no duty to make any examination unless requested in writing to do so by the registered owners of 66-2/3% of the principal amount of the obligations, and unless those registered owners have offered the indenture trustee security and indemnity satisfactory to it against any costs, expenses and liabilities which might be incurred in making any examination.

The trust will cause an annual audit to be made by an independent auditing firm of national reputation and file one copy of the audit with the indenture trustee and each rating agency within 150 days of the close of each fiscal year, which audit may be consolidated with those of Nelnet, Inc. The indenture trustee is not obligated to review or otherwise analyze those audits.

Each year the trust will deliver to the indenture trustee a certification of its compliance with the terms and conditions of its indenture, and in the event of any noncompliance, a description of the nature and status thereof.

Enforcement of Servicing Agreements

The trust will diligently enforce all terms, covenants and conditions of the master servicing agreement and any subservicing agreement, including the prompt payment of all amounts due to a servicer under such servicing agreements. The trust will not permit the release of the obligations of the master servicer or the subservicer under the master servicing agreement or the subservicing agreement except in conjunction with permitted amendments or modifications and will not waive any default by the master servicer or the subservicer under the master servicing agreement or the subservicing agreement without the approval of the registered owners of not less than a majority of the principal amount of the obligations outstanding under the indenture. The trust will not consent or agree to or permit any amendment or modification of the master servicing agreement or any subservicing agreement (i) without the written consent of the eligible lender trustee (which consent shall not be unreasonably withheld or delayed) or (ii) which will in any manner materially adversely affect the rights or security of the registered owners.

Additional Covenants With Respect to the Higher Education Act

The trust will verify that the indenture trustee under the indenture is an eligible lender under the Higher Education Act, and will acquire or cause to be acquired student loans only from an eligible lender.

The trust is responsible, directly or through its agents, for each of the following actions with respect to the Higher Education Act:

- dealing with the Secretary of Education with respect to the rights, benefits and obligations under the certificates of insurance and the contract of insurance, and dealing with the guaranty agencies with respect to the rights, benefits and obligations under the guarantee agreements with respect to the student loans;

- causing to be diligently enforced, and causing to be taken all reasonable steps necessary or appropriate for the enforcement of all terms, covenants and conditions of all student loans and agreements in connection with the student loans, including the prompt payment of all principal and interest payments and all other amounts due under the student loans;

- causing the student loans to be serviced by entering into the master servicing agreement with the master servicer for the collection of payments made for, and the administration of the accounts of, the student loans;

- complying with, and causing all of its officers, trustees, employees and agents to comply, with the provisions of the Higher Education Act and any regulations or rulings under the Higher Education Act, with respect to the student loans; and

- causing the benefits of the guarantee agreements, the interest subsidy payments and the special allowance payments to flow to the indenture trustee.

The indenture trustee will have no obligation to administer service or collect the trust student loans or to maintain or monitor the administration, servicing or collection of those student loans.

Continued Existence; Successor

The trust will preserve and keep in full force and effect its existence, rights and franchises as a Delaware statutory trust. The trust will not sell or otherwise dispose of all or substantially all of its assets, consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge with such trust. These restrictions do not apply to a transaction where the transferee or the surviving or resulting entity irrevocably and unconditionally assumes the obligation to perform and observe the trust's agreements and obligations under the indenture.

Events of Default

The indenture defines the following events as events of default:

- default in the due and punctual payment of any interest on any note when the same becomes due and payable and such default shall continue for a period of five days; provided, however, that a default in the due and punctual payment of any interest on any class B note shall not be an event of default if any class A notes are outstanding;

- default in the due and punctual payment of the principal of any note when the same becomes due and payable on the related final maturity date of the note;

- default in the performance or observance of any other of the trust's covenants, agreements or conditions contained in the indenture or in the notes, and continuation of such default for a period of 90 days after written notice thereof is given to the trust by the indenture trustee; and

- the occurrence of an event of bankruptcy.

Remedies on Default

Possession of Trust Estate. Upon the happening of any event of default relating to the trust, the indenture trustee may take possession of any portion of the trust estate of the trust that may be in the custody of others, and all property comprising the trust estate, and may hold, use, operate, manage and control those assets. The indenture trustee may also, in the name of the trust or otherwise, conduct the trust's business and collect and receive all charges, income and revenues of the trust estate. After deducting all expenses incurred and all other proper outlays authorized in the indenture, and all payments which may be made as just and reasonable compensation for its own services, and for the services of its attorneys, agents, and assistants, the indenture trustee will apply the rest and residue of the money received by the indenture trustee as follows:

- *first*, to the Department of Education, any guaranty agency and, pursuant to any joint sharing agreement, any affiliate of EFS Finance Co., LLC, amounts due and owing thereto;
- *second*, to the trustees for fees, expenses and indemnifications due and owing to the trustees;
- *third*, to the master servicer for due and unpaid servicing fees;
- *fourth*, pro rata, to the counterparties, pro rata, in proportion to their respective entitlements under the applicable derivative products without preference or priority, for any due and unpaid derivative product fees and certain priority termination payments and to the class A noteholders for amounts due and unpaid on the class A notes for interest, pro rata, without preference or priority of any kind, according to the amounts due and payable on the class A notes for such interest;
- *fifth*, to the class A noteholders for amounts due and unpaid on the class A notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the class A notes for principal;
- *sixth*, to the class B noteholders for amounts due and unpaid on the class B notes for interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the class B notes for such interest;
- *seventh*, to the class B noteholders for amounts due and unpaid on the class B notes for principal, ratably, without preference or priority of any kind, according to the amounts due and payable on the class B notes for principal;
- *eighth*, to the counterparties, in proportion to their entitlements under the applicable derivative product, without preference or priority, any termination payments due and any other unpaid issuer payments due thereunder;
- *ninth*, to the master servicer, for any unpaid carry-over servicing fees due under the master servicing agreement; and
- *tenth*, to the trust.

Sale of Trust Estate. Upon the happening of any event of default and if the principal of all of the outstanding obligations shall have been declared due and payable, then the indenture trustee may sell the trust estate to the highest bidder in accordance with the requirements of applicable law. In addition, the indenture trustee may proceed to protect and enforce the rights of the indenture trustee or the registered owners in the manner as counsel for the indenture trustee may advise, whether for the specific performance of any covenant, condition, agreement or undertaking contained in the indenture, or in aid of the execution of any power therein granted, or for the enforcement of such other appropriate legal or equitable remedies as may in the opinion of such counsel, be more effectual to protect and enforce the rights aforesaid. The indenture trustee is required to take any of these actions if requested to do so in writing by the registered owners of at least a majority of the principal amount of the highest priority obligations outstanding under the indenture.

However, the indenture trustee is prohibited from selling the student loans following an event of default, other than a default in the payment of any principal or any interest on any note, unless:

- the holders of all of the highest priority obligations outstanding consent to such sale;
- the proceeds of such sale are sufficient to pay in full all outstanding obligations at the date of such sale; or
- the administrator determines that the collections on the student loans would not be sufficient on an ongoing basis to make all payments on such notes as such payments would have become due if such obligations had not been declared due and payable, and the indenture trustee obtains the consent of the holders of 66-2/3% of the aggregate principal amount of the highest priority obligations outstanding.

Such a sale, other than a sale upon a default in the payment of any principal or any interest on any note, shall also require the consent of all the registered owners of the class B notes unless the proceeds of such a sale would be sufficient to discharge all unpaid amounts on the class B notes.

Appointment of Receiver. If an event of default occurs, and all of the outstanding obligations under the indenture have been declared due and payable, and if any judicial proceedings are commenced to enforce any right of the indenture trustee or of the registered owners under the indenture, then as a matter of right, the indenture trustee shall be entitled to the appointment of a receiver for the trust estate.

Accelerated Maturity. If an event of default occurs, the indenture trustee at the direction of the registered owners of a majority of the collective aggregate principal amount of the highest priority obligations then outstanding under the indenture will declare the principal of all obligations issued under the indenture, and then outstanding, and the interest thereon, immediately due and payable. A declaration of acceleration upon the occurrence of a default may be rescinded upon notice to the trust and the indenture trustee by a majority of the registered owners of the highest priority obligations then outstanding if the trust has paid or deposited with the indenture trustee amounts sufficient to pay all principal and interest due on the notes and all sums paid or advanced by the indenture trustee under the indenture and the reasonable compensation, expenses, disbursements and advances of the trustees and the servicers, and any other event of default has been cured or waived.

Direction of Indenture Trustee. If an event of default occurs, the registered owners of at least a majority of the principal amount of the highest priority obligations then outstanding shall have the right to direct and control the indenture trustee with respect to any proceedings for any sale of any or all of the trust estate, or for the appointment of a receiver. The registered owners may not cause the indenture trustee to take any proceedings which in the indenture trustee's opinion based upon an opinion of counsel would be unjustly prejudicial to non-assenting registered owners of obligations outstanding under the indenture.

Right to Enforce in Indenture Trustee. No registered owner of any obligation shall have any right as a registered owner to institute any suit, action or proceedings for the enforcement of the provisions of the indenture or for the appointment of a receiver or for any other remedy under the indenture. All rights of action under the indenture are vested exclusively in the indenture trustee, unless and until the indenture trustee fails to institute an action or suit after the registered owners of a majority of the collective aggregate principal amount of the highest priority obligations then outstanding under the indenture:

- have given to a responsible officer of the indenture trustee written notice of a default under the indenture, and of the continuance thereof;

- shall have made written request upon the indenture trustee and the indenture trustee shall have been afforded reasonable opportunity to institute an action, suit or proceeding in its own name; and

- the indenture trustee shall have been offered indemnity and security satisfactory to it against the costs, expenses, and liabilities to be incurred on an action, suit or proceeding in its own name.

Waivers of Events of Default. The indenture trustee will waive an event of default upon the written request of the registered owners of at least a majority of the collective aggregate principal amount of the highest priority obligations then outstanding under the indenture. A waiver of any event of default in the payment of the principal or interest due on any obligation issued under the indenture may not be made unless prior to the waiver or rescission, provision shall have been made for payment of all arrears of interest or all arrears of payments of principal, and all expenses of the indenture trustee in connection with such default. A waiver or rescission of one default will not affect any subsequent or other default, or impair any rights or remedies consequent to any subsequent or other default.

The Indenture Trustee

Acceptance of Trust. The indenture trustee will accept the trusts imposed upon it by the indenture, and will perform those trusts, but only upon and subject to the following terms and conditions:

- except during the continuance of an event of default, the indenture trustee undertakes to perform only those duties as are specifically set forth in the indenture;

- except during the continuance of an event of default and in the absence of bad faith on its part, the indenture trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the indenture trustee and conforming to the requirements of the indenture;

- in case an event of default has occurred and is continuing, the indenture trustee, in exercising the rights and powers vested in it by the indenture, will use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs; and

- before taking any action under the indenture requested by registered owners, the indenture trustee may require that it be furnished an indemnity bond or other indemnity and security satisfactory to it by the registered owners for the reimbursement of all expenses to which it may be put and to protect it against liability arising from any action taken by the indenture trustee.

Indenture Trustee May Act Through Agents. The indenture trustee may execute any of the trusts or powers under the indenture and perform any duty thereunder either itself or by or through its attorneys, agents, or employees. The trust will pay all reasonable costs incurred by the indenture trustee and all reasonable compensation to all such persons as may reasonably be employed in connection with the trust.

Duties of the Indenture Trustee. The indenture trustee will not make any representations as to the validity or sufficiency of the agreements, the notes or of any assets or documents. If no event of default has occurred, the indenture trustee is required to perform only those duties specifically required of it under the indenture. Upon receipt of the various certificates, statements, reports or other instruments furnished to it, the indenture trustee is required to examine them to determine whether they are in the form required by the agreements on their face. However, the indenture trustee will not be responsible for the accuracy or content of any of the documents furnished to it by the holders or any of the parties under the agreements.

The indenture trustee may be held liable for its negligent action or failure to act, or for its willful misconduct. The indenture trustee will not be liable, however, with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the holders in an event of default. The indenture trustee is not required to expend its own funds or incur any financial liability in the performance of its duties, or in the exercise of any of its rights or powers, if repayment of those funds or adequate indemnity against risk is not reasonably assured it.

Indemnification of Indenture Trustee. The indenture trustee is generally under no obligation or duty to perform any act at the request of registered owners or to institute or defend any suit to protect the rights of the registered owners under the indenture unless properly indemnified and provided with security to its satisfaction. The indenture trustee is not required to take notice of any event under the indenture (other than a payment default on the notes) unless and until a responsible officer of the indenture trustee shall have been specifically notified in writing of the event of default by the registered owners or the trust's authorized representative.

However, the indenture trustee may begin suit, or appear in and defend suit, execute any of the trusts, enforce any of its rights or powers, or do anything else in its judgment proper, without assurance of reimbursement or indemnity. In that case the indenture trustee will be reimbursed or indemnified by the registered owners requesting that action, if any, or by the trust in all other cases, for all fees, costs and expenses, liabilities, outlays and counsel fees and other reasonable disbursements properly incurred (including but not limited to the costs of defending any claim or bringing any claim to enforce such indemnification obligations) unless such fees, costs and expenses, liabilities, outlays and counsel fees and other reasonable disbursements have resulted from the negligence or willful misconduct of the indenture trustee. If the trust or the registered owners, as appropriate, fail to make such reimbursement or indemnification, the indenture trustee may reimburse itself from any money in its possession under the indenture, subject only to the prior lien of the notes for the payment of the principal and interest thereon from the Collection Fund.

The trust will agree to indemnify the indenture trustee for, and to hold it harmless against, any loss, liability or expenses (including extraordinary out-of-pocket expenses) incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts, including the reasonable attorneys' fees, fees of experts and agents and the costs and expenses of defending itself against any claim or liability relating to its actions or inactions or the costs of defending any claim or bringing any claim to enforce the trust's indemnification obligations in connection with the exercise or performance of any of its powers or duties in relation to the trust estate. The trust will indemnify and hold harmless the indenture trustee against any and all claims, demands, suits, actions or other proceedings and all liabilities, costs and expenses whatsoever caused by any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering document distributed in connection with the issuance of the notes or caused by any omission or alleged omission from such offering document of any material fact required to be stated therein or necessary in order to make the statements made therein in the light of the circumstances under which they were made, not misleading. The indenture trustee will not be liable for, and will be held harmless by the trust from, any liability arising from following any orders, instructions or other directions upon which it is authorized to rely under the indenture or other agreement to which it is a party.

Compensation of Indenture Trustee. The trust will pay to the indenture trustee compensation for all services rendered by it under the indenture, and also all of its reasonable expenses, charges, and other disbursements. The indenture trustee may not change the amount of its annual compensation without giving the trust and the rating agencies at least 90 days' written notice prior to the beginning of a fiscal year. If not paid by the trust, the indenture trustee will have a lien on all money held pursuant to the indenture, subject only to the prior lien of the notes for the payment of the principal and interest thereon from the Collection Fund.

Resignation of Indenture Trustee. The indenture trustee may resign and be discharged by giving the trust and the eligible lender trustee thirty days' prior written notice specifying the date on which the resignation is to take effect. If no successor indenture trustee has been appointed by that date or within 90 days of the trust receiving the indenture trustee's notice, whichever is longer, then the indenture trustee may either (a) appoint a sufficiently qualified temporary successor indenture trustee; or (b) request a court to require the trust to appoint a successor indenture trustee within three days or request a court to appoint a successor indenture trustee itself.

Removal of Indenture Trustee. The indenture trustee may be removed with thirty days' prior written notice:

- at any time by the registered owners of a majority of the collective aggregate principal amount of the highest priority obligations then outstanding under the indenture;
- by the trust for cause or upon the sale or other disposition of the indenture trustee or its trust functions; or
- by the trust without cause so long as no event of default exists or has existed within the last 30 days.

In the event an indenture trustee is removed, removal shall not become effective until:

- a successor indenture trustee shall have been appointed; and
- the successor indenture trustee has accepted that appointment.

Successor Indenture Trustee. If the indenture trustee resigns, is dissolved or otherwise is disqualified to act or is incapable of acting, or in case control of the indenture trustee is taken over by any public officer or officers, the trust may appoint a successor indenture trustee. The trust will cause notice of the appointment of a successor indenture trustee to be mailed to the registered owners at the address of each registered owner appearing on the note registration books.

Every successor indenture trustee:

- will be a bank or trust company in good standing, organized and doing business under the laws of the United States or of a state therein;
- will have a reported capital and surplus of not less than $50,000,000;
- will be authorized under the law to exercise corporate trust powers;

- will be subject to supervision or examination by a federal or state authority; and
- will be an eligible lender under the Higher Education Act so long as such designation is necessary to maintain guarantees and federal benefits under the Higher Education Act with respect to the student loans originated under the Higher Education Act.

Merger of the Indenture Trustee. Any corporation into which the indenture trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the indenture trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the indenture trustee, shall be the successor of the indenture trustee under the indenture, provided such corporation shall be otherwise qualified and eligible under the indenture, without the execution or filing of any paper of any further act on the part of any other parties thereto.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Registered Owners. The trust can agree with the indenture trustee to enter into any indentures supplemental to the indenture for any of the following purposes without notice to or the consent of registered owners (but with the consent of the eligible lender trustee, which consent shall not be unreasonably withheld or delayed):

- to cure any ambiguity or formal defect or omission in the indenture;
- to grant to or confer upon the indenture trustee for the benefit of the registered owners any additional benefits, rights, remedies, powers or authorities;
- to subject to the indenture additional revenues, properties or collateral;
- to modify, amend or supplement the indenture or any indenture supplemental thereto in such manner as to permit the qualification under the Trust Indenture Act of 1939 or any similar federal statute or to permit the qualification of the notes for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;
- to evidence the appointment of a separate or co-indenture trustee or a co-registrar or transfer agent or the succession of a new indenture trustee under the indenture or any additional or substitute guaranty agency, master servicer or subservicer;
- to add provisions to or to amend provisions of the indenture as may, in the opinion of counsel, be necessary or desirable to assure implementation of the student loan business in conformance with the Higher Education Act;
- to make any change as shall be necessary in order to obtain and maintain for any of the notes an investment grade rating from a nationally recognized rating service, which changes, in the opinion of the indenture trustee, will not materially adversely impact the registered owners of any of the obligations outstanding under the indenture;

- to make any changes necessary to comply with or obtain more favorable treatment under any current or future law, rule or regulation, including but not limited to the Higher Education Act, the Regulations or the Code and the regulations promulgated thereunder;

- to make the terms and provisions of the indenture, including the lien and security interest granted therein, applicable to a derivative product;

- to create any additional funds or accounts under the indenture deemed by the indenture trustee to be necessary or desirable;

- to make Benchmark Replacement Conforming Changes from time to time in connection with the implementation of a Benchmark Replacement (see the caption DESCRIPTION OF THE NOTES—Interest Payments—*Benchmark Transition Event*" herein) or to make SOFR Adjustment Conforming Changes; or

- to make any other change which, in the judgment of the indenture trustee, will not materially adversely impact the registered owners of any obligations outstanding under the indenture.

Supplemental Indentures Requiring Consent of Registered Owners. Any amendment of the indenture other than those listed above must be approved by the registered owners of not less than a majority of the collective aggregate principal amount of the obligations then outstanding under the indenture, provided that the changes described below, other than SOFR Adjustment Conforming Changes or Benchmark Replacement Conforming Changes, may be made in a supplemental indenture only with the consent of the registered owners of each affected obligation then outstanding,

- an extension of the maturity date of the principal of or the interest on any obligation;

- a reduction in the principal amount of any obligation or the rate of interest thereon;

- a privilege or priority of any obligation under the indenture over any other obligation;

- a reduction in the aggregate principal amount of the obligations required for consent to such supplemental indenture; or

- the creation of any lien other than a lien ratably securing all of the obligations at any time outstanding under the indenture.

Trust Irrevocable

The trust created by the indenture is irrevocable until the notes and interest thereon and all derivative payments are fully paid or provision is made for their payment as provided in the indenture.

Satisfaction of Indenture

If the registered owners of the notes issued under the indenture are paid all the principal of and interest due on their notes at the times and in the manner stipulated in the indenture, and if each counterparty on a derivative product is paid all derivative payments then due, then the pledge of the trust estate will thereupon terminate and be discharged. The indenture trustee will execute and deliver to the trust instruments to evidence the discharge and satisfaction, and the indenture trustee will pay all money held by it under the indenture to the party entitled to receive it under the indenture.

Notes will be considered to have been paid if money for their payment or redemption has been set aside and is being held in trust by the indenture trustee. Any outstanding note will be considered to have been paid if the note is to be redeemed on any date prior to its stated maturity and notice of redemption has been given as provided in the indenture and on said date there shall have been deposited with the indenture trustee either money or governmental obligations the principal of and the interest on which when due will provide money sufficient to pay the principal of and interest to become due on the note.

Any derivative payments will be considered to have been paid and the applicable derivative product terminated when payment of all derivative payments due and payable to each counterparty under such derivative product has been made or duly provided for to the satisfaction of each counterparty and the respective derivative product has been terminated.

No Petition

The indenture trustee will agree that it will not at any time institute against the trust any bankruptcy proceeding under any United States federal or state bankruptcy or similar law in connection with any obligations of the trust under the indenture. In addition, each noteholder will be deemed to have agreed, by its acceptance of its note, not to file or join in filing any petition in bankruptcy or commence any similar proceeding in respect of the trust.

CREDIT ENHANCEMENT

Credit enhancement for the notes will include overcollateralization and cash on deposit in the Reserve Fund, for the class A-1 notes, the sequential payment of principal on the class A-1 notes prior to the class A-2 notes and, for the class A notes, the subordination of the class B notes. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES" herein. Overcollateralization is the amount by which the Adjusted Pool Balance exceeds the aggregate outstanding principal amount of the notes. The amount of overcollateralization will vary from time to time depending on the rate and timing of principal payments on the trust student loans, capitalization of interest, certain borrower fees and the incurrence of losses, if any, on the trust student loans. The Reserve Fund is intended to enhance the likelihood of timely distributions of interest to the noteholders and to decrease the likelihood that the noteholders will experience losses. Credit enhancement will not provide protection against all risks of loss and may not guarantee payment to noteholders of all amounts to which they are entitled. If losses or shortfalls occur that exceed the amount covered by the credit enhancement or that are not covered by the credit enhancement, noteholders will bear their allocable share of deficiencies.

The class B notes are subordinate notes. The rights of the class B noteholders to receive payments of interest are subordinated to the rights of the class A noteholders to receive payments of interest. Similarly, the rights of the class B noteholders to receive payments of principal are subordinated to the rights of the class A noteholders to receive payments of interest and principal. This subordination is intended to enhance the likelihood of regular receipt by the class A noteholders of the full amount of the payments of interest and principal due to them and to protect the class A noteholders against losses. See the caption "RISK FACTORS—Subordination of the class B notes and the sequential payment of principal on the class A notes may result in a greater risk of loss for holders of class B notes" herein.

ERISA CONSIDERATIONS

The following summarizes certain aspects of The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code that may affect a decision by employee benefit plans, tax favored retirement and savings arrangements and other entities in which such plans or arrangements are invested (collectively, the "Plans") to invest in notes. The following discussion is general in nature and not intended to be a complete discussion of the applicable law pertaining to a Plan's decision to invest and is not intended to be legal advice. In addition, the following discussion is based on the law in effect as of the date of this Offering Memorandum, and neither the trust nor the initial purchasers have undertaken any obligation to update this summary as a result of any changes in the applicable law or regulations.

ERISA imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to ERISA ("ERISA Plans"). Section 4975 of the Code imposes substantially similar prohibited transaction restrictions on certain Plans, including tax-qualified retirement plans described in Section 401(a) of the Code and on individual retirement accounts and annuities described in Sections 408(a) and (b) of the Code. Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) ("Non-ERISA Plans"), are not subject to the requirements set forth in ERISA or the prohibited transaction restrictions under Section 4975 of the Code. However, investment by Non-ERISA Plans may be subject to the provisions of other applicable federal and state law ("Similar Laws"). Any Non-ERISA Plan that is qualified under Section 401(a) and exempt from taxation under Section 501(a) of the Code is, nevertheless, subject to the prohibited transaction rules set forth in Section 503 of the Code. Further, some Plans, including certain ERISA Plans, may only be permitted to invest in certain types of investments (e.g., the notes are not a permitted investment for Code Section 403(b) plans).

A Plan fiduciary should consider whether an investment in the notes satisfies the requirements set forth in Part 4 of Title I of ERISA, including the requirements that (a) the investment satisfy the prudence and diversification standards of ERISA, (b) the investment be in the best interests of the participants and beneficiaries of the Plan and (c) the investment be permissible under the terms of the Plan's investment policies and governing instruments. In determining whether an investment in the notes is prudent for ERISA purposes, a Plan fiduciary should consider all relevant facts and circumstances, including, without limitation, the limitations imposed on transferability, whether the investment provides sufficient liquidity in light of the foreseeable needs of the Plan, and whether the investment is reasonably designed, as part of the Plan's portfolio, to further the Plan's purposes, taking into consideration the risk of loss and the opportunity for gain (or other return) associated with the investment. A fiduciary of a Non-ERISA Plan should consider whether an investment in the notes satisfies its fiduciary obligations under Similar Laws.

Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of Plans with persons ("Parties in Interest" or "Disqualified Persons" as such terms are defined in ERISA and the Code, respectively) who have certain specified relationships to the Plans, unless a statutory, class or administrative exemption is available. Parties in Interest or Disqualified Persons that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA or Section 4975 of the Code unless a statutory, class or administrative exemption is available. Section 502(l) of ERISA requires the Secretary of the U.S. Department of Labor (the "DOL") to assess a civil penalty against a fiduciary who violates any fiduciary responsibility or commits any other violation of part 4 of Title I of ERISA or any other person who knowingly participates in such breach or violation. If the investment constitutes a prohibited transaction under Section 4975(c) of the Code, an IRA may lose its tax-exempt status. If the investment constitutes a prohibited transaction under Section 503 of the Code, a Non-ERISA Plan may lose its tax exemption.

The investment by a Plan may, in certain circumstances, cause the Plan's assets to be deemed to include an interest in each of the underlying assets of the entity in which the Plan has an investment, such as the issuing entity. Certain transactions may be deemed to constitute prohibited transactions if assets of the issuing entity are deemed to be assets of a Plan. These concepts are discussed in greater detail below.

Plan Assets Regulation

The DOL has promulgated a regulation set forth at 29 C.F.R. § 2510.3-101, which has been amended by Congress in Section 3(42) of ERISA (the "Plan Assets Regulation"), concerning whether or not the assets of an ERISA Plan would be deemed to include an interest in the underlying assets of an entity (such as the issuing entity) for purposes of the general fiduciary responsibility provisions of ERISA and for the prohibited transaction provisions of ERISA and Section 4975 of the Code, when a Plan acquires an "equity interest" in such entity. For purposes of this section, the terms "plan assets" ("Plan Assets") and the "assets of a Plan" have the meaning specified in the Plan Assets Regulation.

Under the Plan Assets Regulation, the assets of the issuing entity would be treated as Plan Assets if a Plan acquires an equity interest in the issuing entity and none of the exceptions contained in the Plan Assets Regulation are applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. If the notes are treated as having substantial equity features, a Plan (including an entity in which a Plan is invested) that purchases notes could be treated as having acquired an interest in the assets of the issuing entity. In that event, the purchase, holding, transfer or resale of the notes could result in a transaction that is prohibited under ERISA or the Code. While not free from doubt, on the basis of the notes as described herein, it appears that the notes at issuance should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation.

In the event that the notes cannot be treated as indebtedness for purposes of ERISA, under an exception to the Plan Assets Regulation, the assets of a Plan will not include an interest in the assets of an entity, the equity interests of which are acquired by the Plan, if at no time Plans in the aggregate own 25% or more of the value of any class of equity interests in such entity, as calculated under the Plan Assets Regulation and Section 3(42) of ERISA. Because the availability of this exception depends upon the identity of the noteholders at any time, there can be no assurance that the notes will qualify for this exception and that the issuing entity's assets will not constitute Plan Assets subject to ERISA's fiduciary obligations and responsibilities. Therefore, a Plan should not acquire or hold notes in reliance upon the availability of this exception under the Plan Assets Regulation.

Prohibited Transactions

The acquisition or holding of notes by or on behalf of a Plan, whether or not the underlying assets are treated as Plan Assets, could give rise to a prohibited transaction if the issuing entity or any of its respective affiliates is or becomes a Party in Interest or Disqualified Person with respect to such Plan, or in the event that a note is purchased in the secondary market by a Plan from a Party in Interest or Disqualified Person. There can be no assurance that the issuing entity or any of its respective affiliates will not be or become a Party in Interest or a Disqualified Person with respect to a Plan that acquires notes. Any such prohibited transaction could be treated as exempt under ERISA and the Code if the notes were acquired pursuant to and in accordance with one or more statutory exemptions, individual exemptions or "class exemptions" issued and periodically amended by the DOL. Such class exemptions include, for example, Prohibited Transaction Class Exemption ("PTCE") 75-1 (an exemption for certain transactions involving employee benefit plans and broker-dealers, reporting dealers and banks), PTCE 84-14 (an exemption for certain transactions determined by an independent qualified professional asset manager), PTCE 90-1 (an exemption for certain transactions involving insurance company pooled separate accounts), PTCE 91-38 (an exemption for certain transactions involving bank collective investment funds), PTCE 95-60 (an exemption for certain transactions involving an insurance company's general account) and PTCE 96-23 (an exemption for certain transactions determined by a qualifying in-house asset manager).

The initial purchasers, the indenture trustee, the master servicer, the subservicer, the administrator or their affiliates may be the sponsor of, or investment advisor with respect to, one or more Plans. Because these parties may receive certain benefits in connection with the sale or holding of notes, the purchase of notes using Plan Assets over which any of these parties or their affiliates has investment authority might be deemed to be a violation of a provision of Title I of ERISA or Section 4975 of the Code. Accordingly, notes may not be purchased using the assets of any Plan if any of the initial purchasers, the indenture trustee, the master servicer, the subservicer, the administrator or their affiliates has investment authority for those assets, or is an employer maintaining or contributing to the plan, unless an applicable prohibited transaction exemption is available and such prohibited transaction exemption covers such purchase.

Purchaser's/Transferee's Representations and Warranties

Each purchaser and each transferee of a note (including the person causing such purchaser or transferee to acquire an interest in the note, including a Plan's fiduciary, as applicable, in its individual capacity) is deemed to represent and warrant that on each date on which such purchaser or transferee, as applicable, purchases or holds any interest in the note that (a) it is not a Plan that is subject to Title I of ERISA or Section 4975 of the Code and is not acquiring the note directly or indirectly for, or on behalf of, such a Plan or with Plan Assets of any entity whose underlying assets are deemed to be Plan Assets or a Non-ERISA Plan or other entity subject to Similar Law; or (b) the acquisition and holding of the notes by or on behalf of, or with Plan Assets of, any such Plan or any entity whose underlying assets are deemed to be Plan Assets is permissible under applicable law, and will not result in any non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code by reason of the application of one or more of the following: PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23, all of the conditions of which shall be met (including any amendments), or, in the case of a purchaser or transferee that is subject to Similar Law, such purchase and holding will not result in a violation of Similar Law, any prohibited transaction under Section 503 of the Code or otherwise result in any tax, rescission right or other penalty on the issuing entity or the initial purchasers, and, in any case, neither the purchase nor holding of such note will subject the issuing entity or the initial purchasers to any obligation not affirmatively undertaken in writing.

Consultation with Counsel

Any Plan fiduciary or other investor of Plan Assets (including any entity whose underlying assets are deemed to be Plan Assets) considering whether to acquire or hold notes on behalf of or with Plan Assets of any Plan or that proposes to acquire or hold notes, should consult with its counsel with respect to the potential applicability of the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 and 503 of the Code with respect to the proposed investment and the availability of any prohibited transaction exemption and the accuracy of the representations and warranties above. A fiduciary or other investor with respect to a Non-ERISA Plan that proposes to acquire or hold notes should consult with counsel with respect to Similar Laws.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of all material U.S. federal income tax consequences of the purchase, ownership and disposition of the notes for the investors described below. This summary is based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change, which change may be retroactive. Except where noted, this summary is addressed to noteholders who are U.S. persons that acquire notes at original issuance and beneficially own their notes as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code. This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a particular investor's decision to purchase notes. For example, this summary does not deal with individual circumstances of particular investors or all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules, including, but not limited to, partnerships or entities treated as partnerships, dealers in securities or currencies, financial institutions, life insurance companies, persons holding notes as a part of a hedging, integrated constructive sale or conversion transaction or a straddle, noteholders whose "functional currency" is not the U.S. dollar, pension plans, foreign investors or subsequent purchasers of the notes, except as otherwise indicated. Prospective investors should note that no rulings have been or will be sought from the Service with respect to any aspect of the U.S. federal income tax treatment of the trust, the notes or the noteholders, including the U.S. federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions to those discussed below. In addition, this summary does not address tax and withholding considerations that may be applicable to any hedge, constructive sale, straddle or conversion transaction, debt securities that are "contingent payment" debt instruments, alternative minimum taxes, the holding of notes through entities treated as partnerships for U.S. federal income tax purposes, the Medicare tax on net investment income or the laws of any state, locality or taxing jurisdiction other than the U.S. federal income tax laws. Any discussion of U.S. federal tax issues in this Offering Memorandum (including any attachments or enclosures) is not intended or written by us to be relied upon or used by taxpayers for the purpose of avoiding penalties that may be imposed on taxpayers under the Code. Investors should consult their own tax advisors to determine the federal, state, local and other tax consequences of the purchase, ownership and disposition of notes

Characterization of the Trust and the Notes

Based, in part, on the facts set forth herein, additional information and assuming the accuracy of and compliance with certain assumptions, representations and covenants, Kutak Rock LLP, as special tax counsel to the trust will deliver an opinion to the effect that, assuming the accuracy of and compliance with certain assumptions, representations, warranties and covenants, for U.S. federal income tax purposes: (a) upon their initial issuance, the class A notes will be characterized as debt if and to the extent beneficially owned on the closing date by persons other than trust affiliates and (b) the trust will not be classified as an association taxable as a corporation or characterized as a publicly traded partnership taxable as a corporation. Kutak Rock LLP's opinion will not address, and no assurance is given with respect to, the characterization as debt for U.S. federal income tax purposes of the class B notes. This opinion is based, in part, on the facts set forth herein, additional information, certain representations and certain assumptions (including assumptions as to compliance with the indenture, the trust agreement, and other transaction documents, and assumptions and representations as to the accuracy and continued compliance with various representations, warranties and covenants deemed made by the purchasers and beneficial owners of the certificates and the retained notes). There can be no assurance that the purchasers and beneficial owners of the certificates or the retained notes will comply with such representations, warranties and covenants. The indenture requires the trust and the indenture trustee receive a qualifying debt opinion with respect to any retained notes that become later-sold notes before such later-sold notes can be sold, listed on an "established securities market" within the meaning of Code Section 7704, or otherwise transferred to a non-affiliate of the trust. Unlike a ruling from the Service, such opinion is not binding on the courts or the Service. Therefore, it is possible that the Service could assert that, for purposes of the Code, the transaction contemplated by this Offering Memorandum constitutes a sale of the student loans (or an interest therein) to the noteholders, that one or more of the classes of notes is an equity interest in the trust or that the relationship which will result from this transaction is that of a partnership or an association taxable as a corporation.

If, instead of treating the transaction as creating secured debt, the transaction were treated, for U.S. federal income tax purposes, as creating equity interests in a partnership held by the noteholders of one or more classes of notes, the resulting partnership would not be subject to U.S. federal income tax, unless such resulting partnership were to be treated as a publicly traded partnership taxable as a corporation. Rather, each noteholder of any class of note that were treated as equity in such resulting partnership for U.S. federal income tax purposes would be taxed individually on its respective distributive shares of the partnership's income, gain, loss, deductions and credits which could have adverse tax consequences to certain noteholders. The amount, character and timing of items of income and deduction of the noteholder could differ if the notes were determined to constitute partnership interests, rather than indebtedness. For example, payments on any notes that were treated as equity interests in such partnership could be treated as "guaranteed" payments," which could result in adverse tax consequences to certain noteholders. In addition, income allocated to certain tax-exempt entities that are beneficial owners of any notes that were recharacterized as equity could be "unrelated business taxable income." Income allocated to foreign holders (as defined below) of any notes treated as equity interests in such partnership could be subject to withholding tax and income tax in connection with such foreign holder's disposition of any such recharacterized notes.

If, alternatively, contrary to the opinion of Kutak Rock LLP, it were determined that this transaction caused the trust to be classified as an association or characterized as a publicly traded partnership taxable as a corporation, the trust would be subject to U.S. federal income tax at corporate income tax rates on its taxable income, including taxable income derived from the student loans, which would reduce the amounts available for payment to the noteholders. Moreover, if the noteholders were treated as equity holders in such an entity, payments to the noteholders generally would be treated as dividends for tax purposes to the extent of such entity's accumulated and current earnings and profits, and subject to withholding in the case of foreign holders (as defined below).

The trust will express in the indenture its intent that, for U.S. federal income tax purposes, the notes (other than any class B notes prior to becoming a later-sold note transferred in accordance with the transfer restrictions set forth therein) will be indebtedness. The trust, and each noteholder by accepting such notes, agrees to treat such notes (other than any class B notes prior to becoming a later-sold note transferred in accordance with the transfer restrictions set forth in the indenture) as indebtedness for U.S. federal income tax and all applicable state and local income and franchise tax purposes in all tax filings, reports and returns and otherwise, and will not take, or participate in the taking of or permit to be taken, any action that is inconsistent with such tax treatment and tax reporting of the notes, unless required by applicable law.

In general, the characterization of a transaction as a sale of property or a secured loan, for U.S. federal income tax purposes, is a question of fact, the resolution of which is based upon the economic substance of the transaction, rather than its form or the manner in which it is characterized for state law or other purposes. While the Service and the courts have set forth several factors to be taken into account in determining whether the substance of a transaction is a sale of property or a secured indebtedness, the primary factor in making this determination is whether the transferee has assumed the risk of loss or other economic burdens relating to the property and has obtained the benefits of ownership thereof. Notwithstanding the foregoing, in some instances, courts have held that a transaction may be characterized as the form chosen by the taxpayer, even if the substance of the transaction does not accord with its form.

The trust believes that it has retained the preponderance of the primary benefits and burdens associated with ownership of the student loans and that as a result, the noteholders should not be treated as the owners of the student loans for U.S. federal income tax purposes. If, however, the Service were successfully to assert that this transaction should be treated as a sale of the student loans, the Service could further assert, contrary to the opinion of Kutak Rock LLP, that the entity created pursuant to the indenture, as the owner of the student loans for U.S. federal income tax purposes, should be deemed engaged in a financial business and, therefore, characterized as a publicly traded partnership taxable as a corporation.

The Secretary of Treasury has published final regulations under Section 385 of the Code that address the federal tax treatment of instruments held by parties related to the trust as debt or equity. Pursuant to these regulations, notes purchased by an investor that is a member of the "expanded group" of the trust within the meaning of these regulations or by an investor after this initial offering from an affiliate of the trust may be treated as equity under certain circumstances. Prospective investors are urged to consult their tax advisors regarding the possible effects of these regulations.

The remainder of the discussion below applies only to notes that are characterized as debt for U.S. federal income tax purposes. The opinion of Kutak Rock LLP is not binding on the courts or the Service. In addition, no opinion is rendered with respect to the characterization for U.S. federal income tax purposes of any class B notes. Noteholders are strongly encouraged to consult with their own tax advisors regarding the possibility that the notes could be treated as other than debt of the trust and any resulting consequences to the noteholder.

Taxation of Interest Income and Original Issue Discount

If a note is deemed to be issued with OID, the Code generally requires the current inclusion in income of OID on a constant yield basis. OID is the excess of the "stated redemption price at maturity" of a note over its "issue price." Generally, the issue price of a note should be the initial offering price to the public (other than to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the notes of the same maturity are sold pursuant to the initial offering. To the extent that a class B note sold after the closing date by a trust affiliate is treated as issued for U.S. federal income tax purposes on its date of sale, the trust expects the issue price of such class of retained notes to be unknown on the closing date. The "stated redemption price at maturity" of a note includes all payments with respect to the notes other than "qualified stated interest". For purposes of computing OID, "qualified stated interest" is stated interest that is unconditionally payable (or that will be constructively received under Section 451 of the Code) at least annually at a single fixed rate, a "qualified floating rate" or an "objective rate" at fixed intervals of one year or less ("qualified stated interest"). Interest is unconditionally payable if reasonable legal remedies exist to compel timely payment or the debt instrument otherwise provides terms and conditions that make late payment or nonpayment sufficiently remote. With respect to a floating rate debt security, "qualified stated interest" will be determined solely for purposes of calculating the accrual of OID as though the debt security will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the debt security on its date of issue or, in the case of certain floating rate debt securities, the rate that reflects the yield to maturity that is reasonably expected for the debt security. Stated interest that is "qualified stated interest" will be ordinary income when received or accrued by the noteholders in accordance with their respective methods of tax accounting and the applicable provisions of the Code.

Due to the subordination of the class B notes to the class A notes and the possibility of interest deferral under the terms of the class B notes, it is uncertain whether the stated interest on the class B notes will qualify as "qualified stated interest" for purposes of determining whether the class B notes are issued with OID. Absent official guidance on this point, the trust does not intend to treat the stated interest on the class B notes as other than qualified stated interest solely because of the possibility that interest thereon may be deferred under the terms of the class B notes, although it may revise such treatment in the future if it should determine a change to be appropriate. If the Service were to treat the stated interest payments on the class B notes as includible in their "stated redemption price at maturity" because they are not "qualified stated interest", the class B notes would be treated as issued with OID (which would be in addition to any OID based on the initial offering price to the public when the class B notes are treated as issued for U.S. federal income tax purposes).

Discount on a note at issuance will be treated as de minimis (and therefore OID will be treated as zero) if the excess of the note's "stated redemption price at maturity" over its issue price is less than 0.25% of the note's "stated redemption price at maturity" multiplied by the number of years to its maturity, based on the anticipated weighted average life of the note, calculated using the "prepayment assumption," if any, used in pricing the note and weighing each payment by reference to the number of full years elapsed from the closing date prior to the anticipated date of such payment. For purposes of computing whether any such discount is de minimis, the trust will assume a constant prepayment rate of 6% on the trust student loans. No representation is made as to the actual rate at which the student loans in the trust estate will prepay or that the notes will prepay in accordance with this or any other prepayment assumption. Absent an election to accrue all income from a note under the OID rules, any de minimis discount on a note at issuance would be includible in gross income in any taxable year as principal payments are received on the notes in the proportion that each such principal payment in the taxable year bears to the original principal balance of the note.

The annual statement regularly furnished to noteholders for U.S. federal income tax purposes will include information regarding the accrual of payments of principal and interest with respect to the notes.

The class A notes will be issued at par and will not be issued with OID based on their initial offering price to the public. All of the stated interest payable with respect to the class A notes will constitute "qualified stated interest" for purposes of the OID provisions of the Code. Stated interest on the class A notes will be includible in gross income when received or accrued by the class A noteholders in accordance with their respective methods of tax accounting and the applicable provisions of the Code.

All of the class B notes will be acquired by a trust affiliate on the closing date. To the extent that a class B note sold after the closing date by a trust affiliate is treated as issued for U.S. federal income tax purposes on its date of sale, it is unknown on the closing date whether the class B note would be treated as issued at par, a de minimis discount from par or with OID based on its initial offering price to the public on the date of sale. To the extent that the class B notes are treated as issued for U.S. federal income tax purposes on the closing date, the trust expects that the class B notes may be issued with a de minimis discount from par, but will not be issued with OID based on their initial offering price to the public. Stated interest on the class B notes will be includible in gross income when received or accrued by the class B noteholders in accordance with their respective methods of tax accounting and the applicable provisions of the Code, unless, as described above, the class B notes are treated as issued with OID due to the possibility of interest deferral under the terms of the class B notes (which would be in addition to any OID based on their initial offering price to the public when the class B notes are treated as issued for U.S. federal income tax purposes). If so treated, the stated interest on such class B notes would be includible in income in accordance with the method under the Code that applies to OID. References below to "Discount Notes" are to the class A notes and class B notes, if any, that are treated as having been issued with OID.

The trust expects that a noteholder of any Discount Notes will be required to include a daily portion of its OID in gross income for U.S. federal income tax purposes under a constant yield to maturity method before the receipt of cash attributable to such income. The amount of OID generally includible in gross income is the sum of the "daily portions" of OID with respect to a Discount Note accrued for each day during the taxable year or portion of the taxable year in which the noteholder holds the Discount Note. Special provisions apply to debt instruments on which payments may be accelerated due to prepayments of other obligations securing those debt instruments. Under these provisions, the accrual of

OID on such debt instruments is based on the present value of the remaining payments on the debt instrument and adjusted by taking into account both the prepayment assumption, if any, used in pricing the debt instrument and the actual prepayment experience. As a result, the amount of OID on the Discount Notes that would accrue in any given accrual period (a) may increase to take into account (1) principal payments on the Discount Notes in the accrual period that exceed the expected principal payments based on the prepayment assumption and (2) any increase in the "stated redemption price at maturity" due to any additional principal payments expected as a result of the compounding of deferred interest, if any, on the Discount Notes, and (b) generally may decrease (but not below zero for any period) if (1) the principal payments in the accrual period are slower than the expected principal payments based on the prepayment assumption and (2) total OID remaining to be accrued is reduced due to prior principal prepayments. For these purposes, the trust will assume a constant prepayment rate of 6% on the trust student loans. No representation is made as to the actual rate at which the student loans in the trust estate will prepay or that the Discount Notes will prepay in accordance with this or any other prepayment assumption.

In addition, OID that accrues in each year to a noteholder of a Discount Note is included in the calculation of the distribution requirements of certain regulated investment companies and real estate investment trusts. Moreover, the accrual of OID in each year may result in an alternative minimum tax liability, additional distribution requirements or other collateral U.S. federal income tax consequences although the noteholder of such Discount Note has not received cash attributable to such OID in such year.

Noteholders of Discount Notes should consult their own tax advisors as to the amount, if any, calculation and treatment of any OID on, and the tax consequences of the purchase, holding and sale of, Discount Notes and as to the treatment of any OID for state tax purposes.

A purchaser (other than a person who purchases a note upon issuance at the issue price) who buys a note for an amount that is less than its "stated redemption price at maturity" will be treated as having purchased such note at a "market discount," unless the amount of such market discount is less than a de minimis amount specified in the Code. In general, the market discount rules of the Code treat principal payments and gain on disposition of a debt instrument as ordinary income to the extent of the lesser of (a) the amount of such payment or realized gain or (b) the market discount which has not previously been included in gross income and is treated as having accrued on the debt instrument at the time of such payment or disposition. Market discount will be considered to accrue in each accrual period, at the option of the noteholder of such note: (i) on the basis of a constant yield method or (ii) in an amount that bears the same ratio to the total remaining market discount as the stated interest paid in the accrual period bears to the total amount of stated interest remaining to be paid on the note as of the beginning of the accrual period, in each case, subject to a prepayment assumption. Although the accrued market discount on debt instruments such as the notes which are subject to prepayment based on the prepayment of other debt instruments is to be determined under regulations yet to be issued, the legislative history of the market discount provisions of the Code indicates that the same prepayment assumption used to calculate OID should be utilized. Potential noteholders should consult their own tax advisors concerning the application of the market discount rules to the notes and the advisability of making any of the elections allowed under Sections 1276 through 1278 of the Code.

In the event that the notes are considered to be purchased by a noteholder at a price greater than their remaining "stated redemption price at maturity", they will be considered to have been purchased at a premium. The noteholder may elect to amortize such premium (as an offset to interest income), using a constant yield method, over the remaining term of the notes. Special rules apply to determine the amount of premium on a "variable rate debt instrument" and certain other debt instruments. Potential noteholders should consult their tax advisors regarding the amortization of bond premium.

The OID regulations permit a noteholder to elect to accrue all interest, discount (including de minimis market discount or de minimis discount at issuance) and premium in gross income as interest, based on a constant yield method. If such an election were to be made with respect to a note acquired with market discount, the noteholder would be deemed to have made an election to include in gross income currently market discount with respect to all other debt instruments having market discount that such noteholder acquires during the year of the election or thereafter. Similarly, a noteholder that makes this election for a note acquired at a premium will be deemed to have made an election to amortize bond premium with respect to all debt instruments having amortizable bond premium that such noteholder owns or acquires. The election to accrue interest, discount and premium on a constant yield method may only be revoked with the consent of the Service.

Under Public Law 115-97 (sometimes referred to as the Tax Cuts and Jobs Act), the Code was amended to require a noteholder that uses the accrual method of accounting for tax purposes and reports its net income for financial accounting purposes on certain applicable financial statements to include in taxable income its items of gross income not later than when such items are taken into account as revenue in the financial statement. This amendment generally does not apply to timing rules for accrued market discount on bonds and the general OID timing rules, as well as the timing rules for OID determined with respect to special debt instruments (contingent payment and variable rate debt instruments, certain hedged debt instruments, and inflation-indexed debt instruments. Noteholders are urged to consult their tax advisors regarding the application of this amendment and its effect, if any, on the timing of the recognition of income related to the notes under the Code.

Sale or Exchange of Notes

A noteholder generally will recognize gain or loss on the sale, exchange or retirement of its notes equal to the difference between the amount realized on the sale, exchange or retirement and the noteholder's adjusted tax basis in the notes. The adjusted tax basis of a note to a particular noteholder generally will equal the noteholder's cost for the note, increased by any market discount and any OID and gain previously included by such noteholder in gross income with respect to the note, and decreased by the amount of bond premium, if any, previously amortized and by the amount of principal payments previously received by such noteholder with respect to such note. Any such gain or loss will be capital gain or loss if the note was held as a capital asset, except for gain representing accrued interest, accrued market discount not previously included in gross income and in the event of a prepayment or redemption, any not yet accrued OID. Capital gains or losses will be long-term capital gains or losses if the note was held for more than one year. The deductibility of capital losses is subject to certain limitations.

The indenture permits noteholders to waive an event of default or rescind an acceleration of the notes in certain circumstances upon a vote of the requisite percentage of the noteholders. Any such waiver or rescission, or any amendment of the terms of the notes, could be treated for U.S. federal income tax purposes as a constructive exchange by a noteholder for a new note. In addition, if the terms of a note were significantly modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as significant are those which relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral.

If an alternative method or index is designated in place of SOFR for the notes, which have an interest rate that currently adjusts based on SOFR, the U.S. federal income tax consequences of such a replacement are uncertain. If such a replacement constituted a "significant modification" of the floating rate notes under Treasury Regulation Section 1.1001-3, the replacement may result in a deemed taxable exchange of the floating rate notes and the realization of gain or loss, as well as other corollary tax consequences. Prospective investors should consult their own tax advisors with regard to the potential consequences of the replacement of SOFR.

For U.S. federal income tax purposes, if a deemed exchange occurs as a result of a significant modification of the notes, a noteholder could recognize gain or loss, and some or all of the resulting new notes could be treated as (i) issued with original issue discount or with amortizable bond premium or (ii) constituting equity interests in a partnership or a corporation. Potential noteholders should consult their tax advisors concerning the circumstances in which the notes could be deemed significantly modified and reissued and the possible U.S. federal income tax consequences to the noteholder, including the application of the rules under Section 1001 of the Code.

Backup Withholding

Certain noteholders may be subject to U.S. federal backup withholding at the applicable rate determined by statute with respect to interest (including any OID) paid with respect to the notes if the noteholders, upon issuance, fail to supply the indenture trustee or their brokers (or other applicable intermediary) with their taxpayer identification numbers, furnish incorrect taxpayer identification numbers, fail to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fail to provide the indenture trustee with a certified statement, under penalty of perjury, that they are not subject to U.S. federal backup withholding. Information returns will be sent annually to the Service and to each such noteholder (except certain exempt noteholders) setting forth the amount of interest paid with respect to the notes and the amount of tax withheld thereon. See "APPENDIX C—GLOBAL CLEARANCE, SETTLEMENT AND TAX DOCUMENTATION PROCEDURES—Certain U.S. Federal Income Tax Documentation Requirements" for a description of certain documentation required for exemption from U.S. federal backup withholding.

State, Local or Foreign Taxation

The trust makes no representations regarding the tax consequences of purchase, ownership or disposition of the notes under the tax laws of any state, locality or foreign jurisdiction. Investors considering an investment in the notes should consult their own tax advisors regarding such tax consequences.

Tax-Exempt Investors

In general, an entity which is exempt from U.S. federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business which is not substantially related to the purpose which forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation which gave rise to such interest is subject to acquisition indebtedness. Except to the extent any noteholder incurs acquisition indebtedness with respect to a note, interest paid or accrued with respect to such note may be excluded by such tax-exempt noteholder from the calculation of unrelated business taxable income. Each potential tax-exempt noteholder is urged to consult its own tax advisor regarding the application of these provisions.

Foreign Investors

A noteholder which is not a U.S. person ("foreign holder") will not be subject to U.S. federal income tax or withholding tax in respect of interest income (including any OID paid) or gain on the notes if certain conditions are satisfied, including: (a) the foreign holder provides an appropriate statement, signed under penalties of perjury, identifying the foreign holder as the beneficial owner and stating, among other things, that the foreign holder is not a U.S. person; (b) the foreign holder is not actually or constructively a "10% shareholder," a "related controlled foreign corporation" with respect to the trust or a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business; and (c) the interest income is not effectively connected with a U.S. trade or business of the noteholder. The foregoing exemption does not apply to certain contingent interest. To the extent these conditions are not met, a 30% withholding tax will apply to interest income on the notes, unless an income tax treaty reduces or eliminates such tax or the interest is effectively connected with the conduct of a trade or business within the U.S. by such foreign holder. In the latter case, such foreign holder will be subject to U.S. federal income tax with respect to all income from the notes at regular rates applicable to U.S. taxpayers, and may be subject to the branch profits tax if it is a corporation. A "U.S. person" is: (i) a citizen or resident of the U.S.; (ii) a partnership (or other entity treated as a partnership for U.S. federal tax purposes) or corporation (or other entity treated as a corporation for U.S. federal tax purposes) that is created or organized in or under the laws of the U.S. or any State thereof (including the District of Columbia); (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust, if a court within the U.S. is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions. See "APPENDIX C—GLOBAL CLEARANCE, SETTLEMENT AND TAX DOCUMENTATION PROCEDURES—Certain U.S. Federal Income Tax Documentation Requirements" for a description of certain documentation required for exemption from U.S. federal income tax or withholding tax. As noted earlier, in addition to certain other entities, this tax section does not deal with the treatment of partnerships (or entities treated as partnerships for U.S. federal tax purposes) or their members.

Generally, a foreign holder will not be subject to U.S. federal income tax on any amount which constitutes capital gain upon the sale, exchange, retirement or other disposition of a note unless such foreign holder is an individual present in the U.S. for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition and certain other conditions are met, or unless the gain is effectively connected with the conduct of a trade or business in the U.S. by such foreign holder. If the gain is effectively connected with the conduct of a trade or business in the U.S. by such foreign holder, such holder will generally be subject to U.S. federal income tax with respect to such gain in the same manner as U.S. holders, as described above, and a foreign holder that is a corporation could be subject to a branch profits tax on such income as well.

Prospective foreign holders should consult their tax advisors regarding the procedures whereby they may establish an exemption from withholding.

Foreign Account Tax Compliance Act

In addition to the U.S. income tax, withholding tax and backup withholding tax described above, under the Foreign Account Tax Compliance Act ("FATCA") and related administrative guidance, U.S. withholding at a rate of 30% generally will be required in certain circumstances on interest payments (including OID) in respect of the notes held by or through certain foreign financial institutions (including investment funds), unless such institution (a) enters into, and complies with, an agreement with the Service to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments or (b) if required under an intergovernmental agreement between the U.S. and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the U.S. and an applicable foreign country, or other guidance, may modify these requirements. Accordingly, the entity through which the notes are held will affect the determination of whether such withholding is required. Similarly, under FATCA, in certain circumstances interest payments (including OID) on the notes held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exemptions generally will be subject to withholding at a rate of 30%, unless such entity either (a) certifies that such entity does not have any "substantial United States owners" or (b) provides certain information regarding the entity's "substantial United States owners," which the indenture trustee will in turn provide to the Service. Noteholders will not receive additional amounts from the trust estate in respect of any amounts withheld. This withholding will apply regardless of whether the payment would otherwise be exempt from U.S. nonresident withholding tax (e.g., under the portfolio interest exemption or as capital gain). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules. A foreign entity will generally claim an exemption from FATCA withholding, if the exemption is available, by properly filling out and giving to the person making payments to it IRS Form W-8BEN-E, though other W-8 forms or a W-9 form may in certain cases need to be supplied. While existing regulations would also require FATCA withholding on payments of gross proceeds, including the return of principal, from the sale or other disposition, including redemptions, of the notes, the U.S. Treasury Department and the Service have indicated in proposed regulations their intent to eliminate the FATCA withholding requirement on gross proceeds. The proposed regulations generally (i) provide that "withholdable payments" will not include gross proceeds from the disposition of property that can produce U.S. source dividends or interest and (ii) state in the preamble that taxpayers may rely on these provisions of the proposed regulations until final regulations are issued.

Noteholders should consult their own tax advisors regarding the application and impact of FATCA, and should consult their bank or broker about the likelihood that payments to it (for credit to the noteholder) could become subject to FATCA withholding.

CERTAIN INVESTMENT COMPANY ACT CONSIDERATIONS

The issuing entity is not registered or required to be registered as an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act") pursuant to Section 3(c)(5) thereof, although there may be additional exclusions or exemptions available to the issuing entity. The issuing entity does not rely upon the exclusions from the definition of "investment company" set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. The issuing entity does not constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010), together with such regulations, also known as the Volcker Rule. The final regulations implementing the Volcker Rule became effective in April 2014, and in general prohibits "banking entities" (as defined therein) from (a) engaging in proprietary trading, (b) acquiring or retaining an ownership interest in or sponsoring certain hedge funds, private equity funds (broadly defined to include any entity that would be an investment company under the Investment Company Act but for the exemptions provided in Section 3(c)(1) or 3(c)(7) of the Investment Company Act) and certain similar funds and (c) entering into certain relationships with such funds. Therefore, unless jointly determined otherwise by specified federal regulators, an issuing entity that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than Section 3(c)(1) or Section 3(c)(7) generally will not be a covered fund. Since the issuing entity has not registered, and does not intend to register, as an investment company under the Investment Company Act, noteholders will not be afforded protections of the provisions of the Investment Company Act designed to protect investment company investors.

REPORTS TO NOTEHOLDERS

Monthly reports concerning Nelnet Student Loan Trust 2025-1 will be made available to the noteholders on the indenture trustee's password protected website (currently at https://pivot.usbank.com/abs). These periodic reports will contain information concerning the student loans in the trust and certain activities of the trust during the period since the previous report, such as:

- descriptions of portfolio characteristics;
- identification of remaining note balances;
- descriptions of amounts of the distribution allocable to principal and interest of each class of notes;
- changes in pool balance over the distribution period;
- fees paid by the trust; and
- limited descriptions of activity in the reserve fund, collection fund and acquisition fund.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "project," "predict," "intend," "potential," and the negative of such terms or other similar expressions.

The forward-looking statements reflect our current expectations and views about future events. The forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on the forward-looking statements.

You should understand that the following factors, among other things, could cause our results to differ materially from those expressed in forward-looking statements:

- changes in terms of student loans and the educational credit marketplace arising from the implementation of applicable laws and regulations and from changes in these laws and regulations that may reduce the volume, average term, costs and yields on education loans under the FFELP;
- changes in the demand for educational financing or in financing preferences of educational institutions, students and their families, which could affect an issuing entity's ability to purchase eligible student loans;
- changes in the general interest rate environment and in the securitization market for student loans, which may increase the costs or limit the marketability of financings;
- losses from loan defaults; and
- changes in prepayment rates and credit spreads.

We discuss many of these risks and uncertainties in greater detail under the caption "RISK FACTORS" herein.

You should read this Offering Memorandum and the documents that we reference in this Offering Memorandum, completely and with the understanding that our actual future results may be materially different from what we expect. We may not update the forward-looking statements, even though our situation may change in the future, unless we have obligations under the federal securities laws to update and disclose material developments related to previously disclosed information. We qualify all of the forward-looking statements by these cautionary statements.

RELATIONSHIPS AMONG FINANCING PARTICIPANTS

Nelnet Student Loan Funding III, LLC is the depositor of the trust and will be the seller of the student loans acquired by the trust with the proceeds of the notes. Nelnet Student Loan Funding III, LLC owns all of the beneficial interests of the trust. National Education Loan Network, Inc. will act as administrator and master servicer for the trust, and Nelnet Servicing will act as the subservicer for the trust. Nelnet Finance Corp., an indirect subsidiary of Nelnet, Inc., is the sole member, of Nelnet Student Loan Funding III, LLC.

The trust expects to purchase student loans from the depositor that the depositor acquires from other entities that are direct or indirect subsidiaries of Nelnet, Inc., including National Education Loan Network, Inc., Nelnet FFELP Student Loan Warehouse-I, LLC and Nelnet FFELP Student Loan Warehouse-III, LLC.

The initial purchasers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their respective businesses, the initial purchasers and their affiliates have, from time to time, engaged, and may in the future engage, in various financial advisory, investment banking and commercial banking transactions with the sponsor and its affiliates, for which they received or will receive customary fees and expenses. Affiliates of BofA Securities, Inc., RBC Capital Markets, LLC and BMO Capital Markets Corp. provide FFELP student loan warehouse facilities that allow Nelnet and its affiliates to buy and manage student loans prior to transferring them into more permanent financing arrangements. Certain of the student loans to be purchased by the trust are currently financed through such warehouse facilities. U.S. Bancorp Investments, Inc., one of the initial purchasers, is an affiliate of the Delaware trustee, the eligible lender trustee and indenture trustee.

In the ordinary course of their various business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the sponsor and its affiliates.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the note purchase agreement between the depositor and the initial purchasers named below, the depositor will agree to cause the trust to sell to the initial purchasers, and the initial purchasers will agree to purchase from the trust, the principal amount of the notes set forth opposite its name. The initial purchasers will use commercially reasonable efforts to find buyers for all of the notes, but are not obligated to purchase any of the notes. If the initial purchasers are not able to locate sufficient buyers for all of the notes specified in the table below and do not elect to purchase such notes themselves, then none of the notes will be sold.

	Class A-1 Notes	Class A-2 Notes	Total
BofA Securities, Inc.	$ 61,738,000	$192,689,000	$254,427,000
RBC Capital Markets, LLC	61,732,000	192,686,000	254,418,000
BMO Capital Markets Corp.	8,946,000	27,925,000	36,871,000
Northland Securities, Inc.	8,946,000	27,925,000	36,871,000
Regions Securities LLC	8,946,000	27,925,000	36,871,000
U.S. Bancorp Investments, Inc.	8,946,000	27,925,000	36,871,000
Wells Fargo Securities, LLC	8,946,000	27,925,000	36,871,000
Total	$168,200,000	$525,000,000	$693,200,000

Some of the class A notes may be acquired by affiliates of one or more of the initial purchasers. These class A notes may be resold by such affiliates at any time in one or more negotiated transactions at varying prices to be determined at the time of sale. All of the class B notes will be acquired by an affiliate of the issuing entity.

The sponsor will pay fees to the initial purchasers in an aggregate amount equal to approximately 0.271% of the principal balance of the class A notes purchased by the initial purchasers. The sponsor also will pay all of the other costs of issuance of the notes. Assuming a successful placement of all of the notes specified above by the initial purchasers on the closing date and the acquisition of the class B notes by an affiliate of the issuing entity on the closing date, the proceeds to the trust from the sale of the notes are expected to be $693,200,000.

The initial offering prices are set forth on the cover page of this Offering Memorandum. After the class A notes are released for sale, the initial purchasers may change the offering prices and other selling terms. The offering of the class A notes by the initial purchasers is subject to receipt and acceptance and subject to each initial purchaser's right to reject any order in whole or in part.

The class A notes are new classes of securities with no established trading market. The initial purchasers have advised that they presently intend to make a market in the class A notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the class A notes at any time without notice. We cannot assure you that the prices at which the class A notes will sell in the market after this offering will not be lower or higher than the initial offering price or that an active trading market for the class A notes will develop and continue after this offering.

In connection with the offering, the initial purchasers may purchase and sell class A notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by an initial purchaser of a greater number of class A notes than it is required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the class A notes while the offering is in progress.

The note purchase agreement provides that the depositor will indemnify the initial purchasers against certain civil liabilities, including liabilities under the Securities Act of 1933, and that the depositor has agreed to reimburse the initial purchasers for the fees and expenses of their counsel. The sponsor has also entered into an indemnity agreement with the initial purchasers under which the sponsor agrees to indemnify the initial purchasers against certain civil liabilities.

No action has been or will be taken by the depositor or the initial purchasers that would permit a public offering of the notes in any country or jurisdiction where action for that purpose is required. Accordingly, the notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose hands this Offering Memorandum comes are required by the depositor and the initial purchasers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, sell or deliver notes or have in their possession or distribute the Offering Memorandum, in all cases at their own expense.

The trust expects that delivery of the notes will be made to investors more than one business day after the expected pricing date. Pursuant to Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market are generally required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the first business day preceding the settlement date will be required, by virtue of the fact that the notes are expected to initially settle more than one business day after the pricing date, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to the first business day preceding the settlement date should consult their advisors.

Each initial purchaser will represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any notes to any EU retail investor in the European Economic Area, for the purposes of which:

- the expression "EU retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129, as amended; and

- the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes.

Each initial purchaser will also represent and agree that:

- it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any notes to any UK retail investor in the United Kingdom (the "UK"), for the purposes of which:

    - the expression "UK retail investor" means a person who is one (or more) of the following: (A) a retail client as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA"), and as amended; or (B) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA"), and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (such rules or regulations, as amended), where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA, and as amended; or (C) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK by virtue of the EUWA, and as amended; and

o the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes;

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA does not apply to the issuing entity or the depositor; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any notes in, from or otherwise involving the UK.

NOTICE TO INVESTORS

The following information relates to the form, transfer and delivery of the notes. Because of the following restrictions, purchasers of the notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the notes.

The notes have not been and will not be registered under the Securities Act of 1933 nor with any securities regulatory authority of any state or other jurisdiction within the United States. Accordingly, the notes are being offered (a) within the United States only to QIBs in transactions meeting the requirements of Rule 144A, or (b) outside the United States to persons (other than U.S. persons) in offshore transactions pursuant to the requirements of Regulation S.

Each purchaser of notes will be deemed to have represented and agreed that:

(a) in connection with the purchase of the notes, (i) none of the trust, the indenture trustee, the initial purchasers or any of their respective affiliates is acting as a fiduciary or financial or investment advisor for such beneficial owner; (ii) such beneficial owner is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the trust, the indenture trustee, the initial purchasers or any of their respective affiliates other than any statements in this Offering Memorandum relating to the notes, and such beneficial owner has read and understands this Offering Memorandum; (iii) such beneficial owner has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decision (including decisions regarding the suitability of any transaction pursuant to the indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the trust, the indenture trustee, the initial purchasers or any of their respective affiliates; and (iv)(A) the purchaser is a QIB as defined in Rule 144A under the Securities Act, is aware (and if it is acquiring the notes for the account of one or more QIBs, each beneficial owner of the notes is aware) that the trust and the initial purchasers are relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A, that it is acquiring the notes for its own account or for the account of one or more QIBs for whom it is authorized to act, in either case for investment purposes and not for distribution in violation of the Securities Act, that it is able to bear the economic risk of an investment in the notes and that the purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the notes, or (B) the purchaser is a person that is not a U.S. Person (as defined in Regulation S) outside the United States of America, acquiring the notes in an offshore transaction pursuant to the safe harbor from the registration requirements of the Securities Act provided by either Rule 903 or Rule 904 of Regulation S;

(b) the purchaser understands that the notes are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such notes, then it agrees that it will resell or transfer such notes only (i) so long as such notes are eligible for resale pursuant to Rule 144A, to a person whom the seller reasonably believes is a QIB acquiring the notes for its own account or as a fiduciary or agent for others (which others must also be QIBs) to whom notice is given that the resale or other transfer is being made in reliance on Rule 144A, or (ii) to a purchaser who is not a U.S. Person (as defined in Regulation S) outside the United States of America, acquiring the notes pursuant to the safe harbor from registration under the Securities Act in accordance with Rule 903 or Rule 904 of Regulation S and, in each case, in accordance with any applicable United States state securities laws or other applicable securities laws of the relevant jurisdiction;

(c) unless the relevant legend set out below has been removed from the notes, such purchaser shall notify each transferee of the notes of the deemed representations set out above and that such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;

(d) (i) it is not an employee benefit plan, a tax favored retirement or savings arrangement or other entity in which such plan or arrangement is invested that is subject to Title I of ERISA or Section 4975 of the Code (each, a “Plan”) and is not acquiring the notes directly or indirectly for, or on behalf of, such a Plan or with Plan Assets of any entity whose underlying assets are deemed to be Plan Assets or a Non-ERISA Plan or other entity subject to Similar Law; or (ii) the acquisition and holding of the notes by or on behalf of, or with Plan Assets of, any Plan or any entity whose underlying assets are deemed to be Plan Assets is permissible under applicable law, and will not result in any non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code by reason of the application of one or more of the following: PTCE 84-14, PTCE 90-1, PTCE 91-38, PTCE 95-60 or PTCE 96-23, all of the conditions of which shall be met, or, in the case of a purchaser or transferee that is subject to Similar Law, such purchase and holding will not result in a violation of Similar Law, any prohibited transaction under Section 503 of the Code or otherwise result in any tax, rescission right or other penalty on the issuing entity or the initial purchasers, and, in any case, neither the purchase nor holding of such notes will subject the issuing entity or the initial purchasers to any obligation not affirmatively undertaken in writing;

(e) it is aware that, except as otherwise provided in the indenture, any of the notes being sold to it in reliance on Regulation S will be represented by one or more Regulation S Global Note Certificates and that beneficial interests therein may be held only through DTC for the respective accounts of participants in those clearing systems;

(f) the purchaser understands that each certificate representing an interest in the notes will bear the following legend, unless determined otherwise in accordance with applicable law:

> THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES OR BLUE SKY LAW OF ANY STATE. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT THIS NOTE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (i) PURSUANT TO RULE 144A PROMULGATED UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "QIB"), PURCHASING FOR ITS OWN ACCOUNT OR A QIB PURCHASING FOR THE ACCOUNT OF A QIB, WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A; (ii) TO A PERSON WHO IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S PROMULGATED UNDER THE SECURITIES ACT) OUTSIDE THE UNITED STATES OF AMERICA ACQUIRING THIS NOTE IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT; (iii) PURSUANT TO ANOTHER EXEMPTION AVAILABLE UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (iv) PURSUANT TO A VALID REGISTRATION STATEMENT.
>
> UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK LIMITED PURPOSE TRUST COMPANY ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.
>
> THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. THIS NOTE IS NOT GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY.

(g) by virtue of its acceptance of such note or beneficial interest therein to indemnify the administrator, the master servicer, the indenture trustee, the eligible lender trustee, and the trust against any and all liability that may result if any transfer of such note is not made in a manner consistent with the applicable restrictive legend set forth above; and

(h) if the purchaser is other than Nelnet or one or more of its directly or indirectly wholly-owned subsidiaries, it is not part of the "expanded group" of the trust within the meaning of § 1.385-1(c)(4) of the Treasury Regulations and is not acquiring the notes with a principal purpose of avoiding the purposes of § 1.385-3 of the Treasury Regulations.

Upon the transfer, exchange or replacement of a Rule 144A Global Note Certificate or a Regulation S Global Note Certificate bearing the applicable legend set forth above, or upon specific request for removal of the legends, the trust or the indenture trustee will deliver only replacement Rule 144A Global Note Certificates or Regulation S Global Note Certificates, as the case may be, that bear such applicable legends, or will refuse to remove such applicable legends, unless there is delivered to the trust and the note registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the trust and the indenture trustee that neither the applicable legends nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Transfers of interests in the notes represented by Global Note Certificates within a clearing system will be in accordance with the usual rules and operating procedures of the relevant clearing system.

The laws of some states of the United States of America require that certain persons receive individual certificates in respect of their holdings of the notes. Consequently, the ability to transfer interests in a Global Note Certificate to such persons will be limited.

Additional Matters Relating to Retained Notes. With respect to any retained note that becomes a later-sold note, a sale, listing or transfer thereof will not be effective unless (a) the indenture trustee and the trust receive a qualifying debt opinion with respect to such later-sold note and (b) either (i) such later-sold note has a CUSIP number that is different than that of any other notes outstanding immediately prior to such sale or (ii) the indenture trustee and the trust receive an opinion of counsel to the effect that, for U.S. federal income tax purposes, such later-sold note (1) has the same issue price and issue date as any outstanding notes that have the same CUSIP number as such later-sold note and (2) has terms that are in all material respects identical to any outstanding notes that have the same CUSIP number as such later-sold note. For the avoidance of doubt, once a later-sold note has satisfied these conditions, subsequent transfers of such later-sold note shall not be subject the requirements in this paragraph.

Because of the foregoing restrictions, purchasers are advised to consult legal counsel prior to making any resale, pledge or transfer of any of the notes. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

LEGAL MATTERS

Certain legal matters, including certain United States federal income tax matters, will be passed upon for Nelnet Student Loan Trust 2025-1 by Kutak Rock LLP. Certain legal matters will be passed upon for the initial purchasers by Hogan Lovells US LLP.

RATINGS

It is a condition to the issuance of the class A notes and the class B notes that they be rated as described under the caption "SUMMARY OF TERMS—Rating of the Notes" herein.

A securities rating addresses the likelihood of the receipt by owners of the notes of payments of principal and interest with respect to their notes from assets in the trust estate. The rating takes into consideration the characteristics of the student loans, and the structural, legal and tax aspects associated with the rated notes. On a monthly basis each agency rating the notes is provided with servicing reports describing the performance of the underlying assets in the prior period.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. See the caption "RISK FACTORS—Ratings of the sponsor and other student loan asset-backed notes issued by affiliates of the sponsor may be reviewed or downgraded" herein.

GLOSSARY OF TERMS

Some of the terms used in this Offering Memorandum are defined below. The indenture contains the definition of other terms used in this Offering Memorandum and reference is made to the indenture for those definitions.

"*Available Funds*" means, the sum of the following amounts received to the extent not previously distributed: (a) all collections received by the master servicer or any subservicer on the financed eligible loans (including late fees received by the master servicer or any subservicer with respect to the financed eligible loans, payments from any guaranty agency received with respect to the financed eligible loans and proceeds from the consolidation of any financed eligible loan under the Federal Direct Loan Program) but net of (i) any collections in respect of principal on the financed eligible loans applied by the trust to repurchase guaranteed loans from the guaranty agencies or the master servicer or any subservicer in accordance with its guarantee agreement, the master servicing agreement or the subservicing agreement, as applicable; (ii) amounts required to be paid pursuant to the joint sharing agreement; and (iii) amounts required by the Higher Education Act to be paid to the Department of Education (including, but not limited to, any monthly rebate fees and any Department of Education rebate interest amounts to be deposited into the Department Rebate Fund or paid directly to the Department of Education) or to be repaid to borrowers (whether or not in the form of a principal reduction of the applicable financed eligible loan), with respect to the financed eligible loans; (b) any interest subsidy payments and special allowance payments received by the indenture trustee or the eligible lender trustee with respect to financed eligible loans; (c) all liquidation proceeds from any financed eligible loans which became liquidated financed eligible loans in accordance with the related master servicer's or subservicer's customary servicing procedures, and all other moneys collected with respect to any liquidated financed eligible loan which was written-off, net of the sum of any amounts expended by the master servicer or the subservicer in connection with such liquidation and any amounts required by law to be remitted to the obligor on such liquidated financed eligible loan; (d) the aggregate purchase amounts received for financed eligible loans repurchased by the depositor or purchased by the master servicer or the subservicer or for serial loans sold to another eligible lender pursuant to the master servicing agreement or the subservicing agreement; (e) the aggregate amounts, if any, received from the depositor, the master servicer or any subservicer, as the case may be, as reimbursement of non-guaranteed interest amounts, or lost interest subsidy payments and special allowance payments, with respect to the financed eligible loans pursuant to a student loan purchase agreement, the master servicing agreement or the subservicing agreement, respectively; (f) other amounts received by the master servicer or the subservicer pursuant to its role as master servicer or subservicer under the master servicing agreement or the subservicing agreement, respectively, and payable to the trust in connection therewith; (g) all interest earned or gain realized from the investment of amounts in any Fund or Account; (h) any payments received under the derivative products from the counterparties in respect of such monthly distribution date, (i) any amount received pursuant to the joint sharing agreement and (j) any other amounts deposited to the Collection Fund. "Available Funds" shall be determined pursuant to the terms of this definition by the administrator and reported to the indenture trustee. Amounts described in clause (a)(i), (ii) and (iii) hereof shall be paid by the indenture trustee upon receipt of a written direction from the administrator.

"*Book-Entry Form*" or "*Book-Entry System*" means a form or system under which (a) the beneficial right to principal and interest may be transferred only through a book-entry; (b) physical securities in registered form are issued only to a securities depository or its nominee as registered owner, with the securities "immobilized" to the custody of the securities depository; and (c) the book-entry is the record that identifies to owners of beneficial interests in that principal and interest.

"*Class A Obligations*" means the class A notes and derivative products the priority of payment of which is equal with that of the class A notes.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations, including applicable temporary and proposed regulations, relating to such section which are applicable to the notes or the use of the proceeds thereof. A reference to any specific section of the Code shall be deemed also to be a reference to the comparable provisions of any enactment which supersedes or replaces the Code thereunder from time to time.

"*Derivative Product*" means any interest rate, currency or other hedge agreement, credit default swap or similar agreement entered into between the trust and a counterparty, each as supplemented or amended from time to time.

"*Funds*" means the funds created under the indenture and held by the indenture trustee, including the Acquisition Fund, the Collection Fund, the Department Rebate Fund, and the Reserve Fund.

"*Guarantee*" or "*Guaranteed*" means, with respect to a student loan, the insurance or guarantee by the guaranty agency pursuant to such guaranty agency's guarantee agreement of the maximum percentage of the principal of and accrued interest on such student loan allowed by the terms of the Higher Education Act with respect to such student loan at the time it was originated and the coverage of such student loan by the federal reimbursement contracts, providing, among other things, for reimbursement to the guaranty agency for payments made by it on defaulted student loans insured or guaranteed by the guaranty agency of at least the minimum reimbursement allowed by the Higher Education Act with respect to a particular student loan.

"*Guarantee Agreements*" means a guarantee or lender agreement between the indenture trustee or the eligible lender trustee and any guaranty agency, and any amendments thereto.

"*Guaranty Agency*" means any entity authorized to guarantee student loans under the Higher Education Act and with which the indenture trustee or the eligible lender trustee maintains a guarantee agreement.

"*Higher Education Act*" means the Higher Education Act of 1965, as amended or supplemented from time to time, or any successor federal act and all regulations, directives, bulletins and guidelines promulgated from time to time thereunder.

"*Highest Priority Obligations*" means at any time when class A obligations are outstanding, the class A obligations, and at any time when no class A obligations are outstanding, the class B notes.

"*Indenture*" means the indenture of trust between Nelnet Student Loan Trust 2025-1 and U.S. Bank National Association, as indenture trustee and as eligible lender trustee, including all supplements and amendments thereto.

"*Moody's*" means Moody's Investors Service, Inc., its successors and assigns.

"*Obligations*" means the notes and derivative products.

"*Rating Agency*" means Moody's and its successors and assigns and/or any other rating agency requested by the trust to maintain a rating on any of the notes.

"*Rating Agency Condition*" means a communication or a process demonstrating that a proposed action, failure to act, or other event specified therein, will not, in and of itself, result in a downgrade of its rating then applicable to the notes, or cause such rating agency to suspend, withdraw or qualify its rating then applicable to the notes.

"*Securities Depository*" means DTC or Clearstream, as applicable, and their successors and assigns, or, if (a) a then existing Securities Depository resigns from its functions as depository of the notes; or (b) the trust discontinues use of a Securities Depository pursuant to the indenture, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the notes and which is selected by the trust with the consent of the indenture trustee. The initial Securities Depository for the notes, shall be DTC, and the nominee for such Securities Depository shall be "Cede & Co."

"*Treasury Bill Rate*" means the bond equivalent yield for auctions of 91-day United States Treasury Bills on the first day of each calendar week on which the United States Treasury auctions 91-day Treasury Bills, which currently is the United States Treasury's first business day of each week.

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APPENDIX A

WEIGHTED AVERAGE LIVES, EXPECTED MATURITIES AND PERCENTAGES OF ORIGINAL PRINCIPAL REMAINING AT CERTAIN MONTHLY DISTRIBUTION DATES FOR THE NOTES

Prepayments on pools of student loans can be calculated based on a variety of prepayment models. The model used to calculate prepayments in this Offering Memorandum is based on a constant prepayment rate ("CPR"). The following paragraphs are based on our expectations for how we believe prepayments may occur based on the criteria below.

CPR is stated as an annualized rate and is calculated as the percentage of the loan amount outstanding at the beginning of a period (including accrued interest to be capitalized), after applying scheduled payments, that prepays during that period. The CPR model assumes that student loans will prepay in each month according to the following formula:

$$\text{Monthly Prepayments} = (\text{Balance (including accrued interest to be capitalized) after scheduled payments}) \times (1-(1-\text{CPR})^{1/12}).$$

Accordingly, monthly prepayments assuming a $1,000 balance after scheduled payments would be as follows for the percentages of CPR listed below:

CPR	0%	4%	6%	8%	10%	12%
Monthly Prepayment	$0.00	$3.40	$5.14	$6.92	$8.74	$10.60

The CPR model does not purport to describe historical prepayment experience or to predict the prepayment rate of any actual student loan pool. The student loans will not prepay according to the CPR, nor will all of the student loans prepay at the same rate. You must make an independent decision regarding the appropriate principal prepayment scenarios to use in making any investment decision.

The tables below show the weighted average remaining lives, expected maturity dates and percentages of original principal remaining of the notes at certain monthly distribution dates under various CPR scenarios.

For purposes of calculating the information presented in the tables, it is assumed, among other things, that:

(a) the statistical cut-off date for the trust student loans is as of September 30, 2025;

(b) the cut-off date is November 6, 2025;

(c) the closing date is November 13, 2025;

(d) all trust student loans (as grouped within the "rep lines" described below) remain in their current status until their status end date and then move to repayment, and no trust student loan moves from repayment to any other status;

(e) there are government payment delays of 60 days for interest subsidy and special allowance payments and department rebate delays of 60 days;

(f) there is a 30-day delay for consolidation loan rebate fee payments;

(g) no delinquencies or defaults occur on any of the trust student loans, no repurchases for breaches of representations, warranties or covenants occur, and all borrower payments are collected in full;

(h) index levels for calculation of borrower and government payments are:

(i) 30-day Average SOFR of 4.18279%;

(ii) 1-Month SOFR of 4.18279%; and

(iii) 91-day Treasury bill rate of 3.469%;

(i) monthly distributions begin on January 25, 2026, and payments are made monthly on the twenty-fifth day of every month thereafter, whether or not the twenty-fifth is a business day;

(j) the interest rates for the outstanding notes at all times will be equal to 5.032790% for the class A-1 notes, 5.132790% for the class A-2 notes and 5.182790% for the class B notes;

(k) administration fees equal to 0.03% per annum of the pool balance as of the end of each prior calendar month (or, in the case of the first monthly distribution date, the cut-off date), paid on a monthly basis on each monthly distribution date and indenture trustee fees equal to 0.005% per annum of the outstanding principal amount of the notes as of the close of business on the prior monthly distribution date (or, in the case of the first monthly distribution date, the closing date), paid on a monthly basis on each monthly distribution date;

(l) the annual Delaware trustee fee plus the rating agency surveillance fees plus the Finsight annual fee will equal $30,500 per annum, paid on a monthly basis on each monthly distribution date;

(m) a servicing fee equal to the lesser of (i) $3.20 per borrower per month for the trust's consolidation loans or (ii) the greater of (a) 1/12th of 0.50% of the outstanding principal balance of the trust's consolidation loans and (b) $6,000 per month payable monthly on each monthly distribution date;

(n) the Reserve Fund has an initial balance equal to $17,697,500 and at all times a balance equal to the greater of:

(i) (A) for any monthly distribution date occurring prior to the May 2027 monthly distribution date, 2.50% of the aggregate outstanding principal amount of the notes as of the close of business on the last day of the related collection period, (B) for any monthly distribution date occurring on and after the May 2027 monthly distribution date and prior to the November 2028 monthly distribution date, 1.00% of the aggregate outstanding principal amount of the notes as of the close of business on the last day of the related collection period, and (C) for any monthly distribution date occurring on and after the November 2028 monthly distribution date, 0.75% of the aggregate outstanding principal amount of the notes as of the close of business on the last day of the related collection period; and

(ii) 0.10% of the original aggregate principal amount of the notes;

(o) amounts on deposit in the Collection Fund, including reinvestment income earned on such account in the previous month, Department Rebate Fund and Reserve Fund are reinvested in eligible investments at the assumed reinvestment rate of the 91-day Treasury bill rate per annum through the end of the collection period or the related monthly distribution date, as applicable; reinvestment earnings from the prior period are available for distribution;

(p) an optional redemption occurs on the monthly distribution date immediately following the date on which the Pool Balance is less than or equal to 10% of the initial Pool Balance;

(q) the pool of trust student loans were grouped into 1,363 representative loans ("rep lines"), which have been created, for modeling purposes, from individual trust student loans based on combinations of similar individual student loan characteristics, which include, but are not limited to, interest rate, loan type, index, margin, rate cap and remaining term;

(r) The index for calculating special allowance payments is 1-Month SOFR; and

(s) The cut-off date for special allowance payments and interest subsidy payments is assumed to be November 30, 2025.

Weighted Average Lives and Expected Maturity Dates of the Notes at Various Percentages of CPR[1]

	Weighted Average Life (years)[2]					
Class	**0%**	**4%**	**6%**	**8%**	**10%**	**12%**
Class A-1 notes	1.54	1.12	0.99	0.89	0.80	0.73
Class A-2 notes	8.36	6.78	6.14	5.61	5.14	4.73
Class B notes	15.03	12.37	11.28	10.53	9.78	9.12

	Expected Maturity Date					
Class	**0%**	**4%**	**6%**	**8%**	**10%**	**12%**
Class A-1 notes	10/25/2028	12/25/2027	9/25/2027	6/25/2027	5/25/2027	3/25/2027
Class A-2 notes	11/25/2040	3/25/2038	2/25/2037	5/25/2036	8/25/2035	12/25/2034
Class B notes	11/25/2040	3/25/2038	2/25/2037	5/25/2036	8/25/2035	12/25/2034

[1] Assuming for purposes of this table that, among other things, the optional redemption occurs on the monthly distribution date immediately following the date on which the Pool Balance is less than or equal to 10% of the initial Pool Balance.

[2] The weighted average life of the notes (assuming a 360-day year consisting of twelve 30-day months) is determined by: (a) multiplying the amount of each principal payment on the applicable class of notes by the number of years from the closing date to the related monthly distribution date; (b) adding the results; and (c) dividing that sum by the aggregate principal amount of the applicable class of notes as of the closing date.

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Percentages of Original Principal of the Class A-1 Notes Remaining at Certain Monthly Distribution Dates at Various Percentages of CPR*

Monthly Distribution Dates	0%	4%	6%	8%	10%	12%
Closing Date	100%	100%	100%	100%	100%	100%
January 2026	97%	95%	93%	92%	90%	89%
January 2027	62%	45%	36%	27%	19%	10%
January 2028	23%	0%	0%	0%	0%	0%
January 2029	0%	0%	0%	0%	0%	0%

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* Assuming for purposes of this table that, among other things, the optional redemption does occur.

The above table has been prepared based on the assumptions described above (including the assumptions regarding the characteristics and performance of the rep lines, which will differ from the characteristics and performance of the actual pool of trust student loans) and should be read in conjunction therewith. In addition, the diverse characteristics, remaining terms and loan ages of the trust student loans could produce slower or faster principal payments than implied by the information in this table, even if the dispersions of weighted average characteristics, remaining terms and loan ages are the same as the characteristics, remaining terms and loan ages assumed.

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Percentages of Original Principal of the Class A-2 Notes Remaining at Certain Monthly Distribution Dates at Various Percentages of CPR*

Monthly Distribution Dates	0%	4%	6%	8%	10%	12%
Closing Date	100%	100%	100%	100%	100%	100%
January 2026	100%	100%	100%	100%	100%	100%
January 2027	100%	100%	100%	100%	100%	100%
January 2028	100%	98%	94%	89%	85%	81%
January 2029	96%	84%	79%	73%	68%	63%
January 2030	86%	72%	66%	60%	54%	49%
January 2031	75%	60%	54%	48%	43%	38%
January 2032	66%	50%	44%	38%	33%	28%
January 2033	56%	41%	35%	30%	25%	21%
January 2034	47%	33%	28%	23%	18%	15%
January 2035	38%	25%	21%	16%	13%	0%
January 2036	30%	19%	15%	11%	0%	0%
January 2037	23%	13%	10%	0%	0%	0%
January 2038	18%	10%	0%	0%	0%	0%
January 2039	13%	0%	0%	0%	0%	0%
January 2040	10%	0%	0%	0%	0%	0%
January 2041	0%	0%	0%	0%	0%	0%

* Assuming for purposes of this table that, among other things, the optional redemption does occur.

The above table has been prepared based on the assumptions described above (including the assumptions regarding the characteristics and performance of the rep lines, which will differ from the characteristics and performance of the actual pool of trust student loans) and should be read in conjunction therewith. In addition, the diverse characteristics, remaining terms and loan ages of the trust student loans could produce slower or faster principal payments than implied by the information in this table, even if the dispersions of weighted average characteristics, remaining terms and loan ages are the same as the characteristics, remaining terms and loan ages assumed.

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Percentages of Original Principal of the Class B Notes
Remaining at Certain Monthly Distribution Dates at Various
Percentages of CPR*

Monthly Distribution Dates	0%	4%	6%	8%	10%	12%
Closing Date	100%	100%	100%	100%	100%	100%
January 2026	100%	100%	100%	100%	100%	100%
January 2027	100%	100%	100%	100%	100%	100%
January 2028	100%	100%	100%	100%	100%	100%
January 2029	100%	100%	100%	100%	100%	100%
January 2030	100%	100%	100%	100%	100%	100%
January 2031	100%	100%	100%	100%	100%	100%
January 2032	100%	100%	100%	100%	100%	100%
January 2033	100%	100%	100%	100%	100%	100%
January 2034	100%	100%	100%	100%	100%	100%
January 2035	100%	100%	100%	100%	100%	0%
January 2036	100%	100%	100%	100%	0%	0%
January 2037	100%	100%	100%	0%	0%	0%
January 2038	100%	100%	0%	0%	0%	0%
January 2039	100%	0%	0%	0%	0%	0%
January 2040	100%	0%	0%	0%	0%	0%
January 2041	0%	0%	0%	0%	0%	0%

* Assuming for purposes of this table that, among other things, the optional redemption does occur.

The above table has been prepared based on the assumptions described above (including the assumptions regarding the characteristics and performance of the rep lines, which will differ from the characteristics and performance of the actual pool of trust student loans) and should be read in conjunction therewith. In addition, the diverse characteristics, remaining terms and loan ages of the trust student loans could produce slower or faster principal payments than implied by the information in this table, even if the dispersions of weighted average characteristics, remaining terms and loan ages are the same as the characteristics, remaining terms and loan ages assumed.

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APPENDIX B

DESCRIPTION OF
THE FEDERAL FAMILY EDUCATION LOAN PROGRAM

As of July 1, 2010, FFELP Loans made pursuant to the Higher Education Act were no longer originated, and all new federal student loans are originated solely under the Federal Direct Student Loan Program (the "Direct Loan Program"). However, FFELP Loans originated under the Higher Education Act prior to July 1, 2010 which have been acquired by the trust continue to be subject to the provisions of the FFEL Program. The following description of the FFEL Program has been provided solely to explain certain of the provisions of the FFEL Program applicable to the approximately 98.32% in principal amount of the trust student loans originated on or after July 1, 1998 and prior to July 1, 2010. Certain additional information about the FFELP Loans which comprise approximately 1.68% in principal amount of the trust student loans originated prior to July 1, 1998 is also included. Notwithstanding anything herein to the contrary, after June 30, 2010, no new FFELP Loans (including Consolidation Loans) could be made or insured under the FFEL Program, and no funds were authorized to be appropriated, or could be expended, under the Higher Education Act to make or insure loans under the FFEL Program (including Consolidation Loans) for which the first disbursement was after June 30, 2010, except as expressly authorized by an Act of Congress.

The Higher Education Act provides for several different educational loan programs (collectively, the "Federal Family Education Loan Program" or "FFEL Program," and the loans originated thereunder, "Federal Family Education Loans" or "FFELP Loans"). Under the FFEL Program, state agencies or private nonprofit corporations administering student loan insurance programs ("Guaranty Agencies") are reimbursed for portions of losses sustained in connection with FFELP Loans, and holders of certain loans made under such programs are paid subsidies for owning such FFELP Loans. Certain provisions of the Federal Family Education Loan Program are summarized below. This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the text of the Higher Education Act and the regulations thereunder.

The Higher Education Act has been subject to frequent amendments and federal budgetary legislation, the most significant of which has been the passage of H.R. 4872 (the "Health Care & Education Affordability Reconciliation Act of 2010" or "HCEARA") which terminated originations of FFELP Loans under the FFEL Program after June 30, 2010 such that all new federal student loans originated on and after July 1, 2010 are originated under the Direct Loan Program.

Federal Family Education Loans

Several types of loans were authorized as Federal Family Education Loans pursuant to the Federal Family Education Loan Program. These included: (a) loans to students meeting certain financial needs tests with respect to which the federal government makes interest payments available to reduce student interest cost during periods of enrollment ("Subsidized Stafford Loans"); (b) loans to students made without regard to financial need with respect to which the federal government does not make such interest payments ("Unsubsidized Stafford Loans" and, collectively with Subsidized Stafford Loans, "Stafford Loans"); (c) loans to graduate students, professional students, or parents of dependent students ("PLUS Loans"); and (d) loans available to borrowers with certain existing federal educational loans to consolidate repayment of such loans ("Consolidation Loans").

Generally, a FFELP Loan was made only to a United States citizen or permanent resident or otherwise eligible individual under federal regulations who (a) had been accepted for enrollment or was enrolled and was maintaining satisfactory progress at an eligible institution; (b) was carrying at least one-half of the normal full-time academic workload for the course of study the student was pursuing, as determined by such institution; (c) agreed to notify promptly the holder of the loan of any address change; (d) was not in default on any federal education loans; (e) met the applicable "need" requirements; and (f) had not committed a crime involving fraud or obtaining funds under the Higher Education Act which funds had not been fully repaid. Eligible institutions included higher educational institutions and vocational schools that complied with certain federal regulations. With certain exceptions, an institution with a cohort default rate that was equal to or greater than 25% for each of the three most recent fiscal years for which data was available was not an eligible institution under the Higher Education Act. However, beginning in fiscal year 2012, the threshold was raised from 25% to 30%. In addition, an institution with a cohort default rate that was equal to or greater than 40% for the most recent fiscal year for which data was available is also not an eligible institution under the Higher Education Act.

Subsidized Stafford Loans

The Higher Education Act provides for federal (a) insurance or reinsurance of eligible Subsidized Stafford Loans, (b) interest benefit payments for borrowers remitted to eligible lenders with respect to certain eligible Subsidized Stafford Loans, and (c) special allowance payments representing an additional subsidy paid by the Secretary to such holders of eligible Subsidized Stafford Loans.

Subsidized Stafford Loans were eligible for reinsurance under the Higher Education Act if the eligible student to whom the loan was made had been accepted or was enrolled in good standing at an eligible institution of higher education or vocational school and was carrying at least one-half the normal full-time workload at that institution. In connection with eligible Subsidized Stafford Loans there were limits as to the maximum amount which could be borrowed for an academic year and in the aggregate for both undergraduate and graduate/professional study. The Secretary had discretion to raise these limits to accommodate students undertaking specialized training requiring exceptionally high costs of education.

Subject to these limits, Subsidized Stafford Loans were available to borrowers in amounts not exceeding their unmet need for financing as provided in the Higher Education Act.

Unsubsidized Stafford Loans

Unsubsidized Stafford Loans were available to students who did not qualify for Subsidized Stafford Loans due to parental and/or student income or assets in excess of permitted amounts. In other respects, the general requirements for Unsubsidized Stafford Loans were essentially the same as those for Subsidized Stafford Loans. The interest rate, the loan fee requirements and the special allowance payment provisions of the Unsubsidized Stafford Loans were the same as the Subsidized Stafford Loans. However, the terms of the Unsubsidized Stafford Loans differ materially from Subsidized Stafford Loans in that the Secretary does not make interest benefit payments and the loan limitations were determined without respect to the expected family contribution. The borrower was required to pay interest from the time such loan was disbursed or capitalize the interest until repayment began.

Before July 1, 1994, the Higher Education Act also authorized loans called "Supplemental Loans to Students" or "SLS Loans" to independent students and, under some circumstances, dependent undergraduate students, to supplement their Subsidized Stafford Loans. The Unsubsidized Stafford Loan program replaced the SLS program.

PLUS Loan Program

The Higher Education Act authorized PLUS Loans to be made to graduate students, professional students, or parents of eligible dependent students. Only graduate students, professional students and parents who did not have an adverse credit history were eligible for PLUS Loans. The basic provisions applicable to PLUS Loans were similar to those of Stafford Loans with respect to the involvement of Guaranty Agencies and the Secretary in providing federal reinsurance on the loans. However, PLUS Loans differ significantly from Subsidized Stafford Loans, particularly because federal interest benefit payments are not available under the PLUS Program and special allowance payments are more restricted.

The Consolidation Loan Program

The Higher Education Act authorized a program under which certain borrowers were permitted to consolidate their various student loans into a single loan insured and reinsured on a basis similar to Subsidized Stafford Loans. The authority to make such Consolidation Loans expired on June 30, 2010. Consolidation Loans were made in an amount sufficient to pay outstanding principal, unpaid interest and late charges on certain federally insured or reinsured student loans incurred under and pursuant to the Federal Family Education Loan Program (other than Parent PLUS Loans) selected by the borrower, as well as loans made generally pursuant to the Perkins Loan Program, the Health Education Assistance Loan (HEAL) Program, the Nursing Student Loan Program, the Health Professions Student Loan Programs and the Direct Loan Program. Consolidation Loans made pursuant to the Direct Loan Program must conform to the eligibility requirements for Consolidation Loans under the Federal Family Education Loan Program. The borrowers could have been either in repayment status or in a grace period preceding repayment, but the borrower could not still be in school. Delinquent or defaulted borrowers were eligible to obtain Consolidation Loans if they agreed to re-enter repayment through loan consolidation. Borrowers were permitted to add additional loans to a Consolidation Loan during the 180-day period following origination of the Consolidation Loan. Further, in certain circumstances a married couple who agreed to be jointly and severally liable was treated as one borrower for purposes of loan consolidation eligibility. A Consolidation Loan was federally insured or reinsured only if such loan was made in compliance with the requirements of the Higher Education Act.

The Higher Education Act authorizes the Secretary to offer the borrower a Direct Consolidation Loan with repayment provisions authorized under the Higher Education Act and terms consistent with a Consolidation Loan made pursuant to the FFEL Program. In addition, the Secretary may offer the borrower a Direct Consolidation Loan for one of three purposes: (a) providing the borrower with an income-contingent repayment plan (or income-based repayment plan as of July 1, 2009) if the borrower's delinquent loan has been submitted to a Guaranty Agency for default aversion (or, as of July 1, 2009, if the loan is already in default); (b) allowing the borrower to participate in a public service loan forgiveness program offered under the Direct Loan Program; or (c) allowing the borrower to use the no accrual of interest for active duty service members benefit offered under the Direct Loan Program for not more than 60 months for loans first disbursed on or after October 1, 2008. In order to participate in the public service loan forgiveness program, the borrower must not have defaulted on the Direct Loan; must have made 120 monthly payments on the Direct Loan after October 1, 2007 under certain income-based repayment plans, a standard 10-year repayment plan for certain Direct Loans, or a certain income contingent repayment plan; and must be employed in a public service job at the time of forgiveness and during the period in which the borrower makes each of his 120 monthly payments. A public service job is defined broadly and includes working at an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and restated (the "Code"), which is exempt from taxation under Section 501(a) of the Code. No borrower may, however, receive a reduction of loan obligations under both the public service loan forgiveness program offered under the Direct Loan Program and the following programs: (a) the loan forgiveness program for teachers offered under both the FFEL Program and the Direct Loan Program; (b) the loan forgiveness program for service in areas of national need offered under the FFEL Program; and (c) the loan repayment program for civil legal assistance attorneys offered under the FFEL Program.

Federal Direct Student Loan Program

The Student Loan Reform Act of 1993 established the Direct Loan Program. The first loans under the Direct Loan Program were made available for the 1994-1995 academic year. Under the Direct Loan Program, approved institutions of higher education, or alternative loan originators approved by the United States Department of Education (the "Department of Education"), make loans to students or parents without application to or funding from outside lenders or Guaranty Agencies. The Department of Education provides the funds for such loans, and the program provides for a variety of flexible repayment plans, including extended, graduated and income contingent repayment plans, forbearance of payments during periods of national service and consolidation under the Direct Loan Program of existing student loans. Such consolidation permits borrowers to prepay existing student loans and consolidate them into a Federal Direct Consolidation Loan under the Direct Loan Program. The Direct Loan Program also provides certain programs under which principal may be forgiven or interest rates may be reduced. Direct Loan Program repayment plans, other than income contingent plans, must be consistent with the requirements under the Higher Education Act for repayment plans under the FFEL Program. Due to the enactment of HCEARA, FFELP Loans made pursuant to the Higher Education Act are no longer originated, and as of July 1, 2010 new federal student loans are originated solely under the Direct Loan Program.

Interest Rates

Subsidized and Unsubsidized Stafford Loans. Subsidized and Unsubsidized Stafford Loans made on or after October 1, 1998 but before July 1, 2006 which are in in-school, grace and deferment periods bear interest at a rate equivalent to the 91-day T-Bill rate plus 1.70%, with a maximum rate of 8.25%. Subsidized Stafford Loans and Unsubsidized Stafford Loans made on or after October 1, 1998 but before July 1, 2006 in all other payment periods bear interest at a rate equivalent to the 91-day T-Bill rate plus 2.30%, with a maximum rate of 8.25%. The rate is adjusted annually on July 1.

Subsidized Stafford Loans disbursed on or after July 1, 2006 and before July 1, 2010 bear interest at progressively lowered rates described below. Subsidized Stafford Loans made on or after July 1, 2006 but before July 1, 2008 bear interest at a rate equal to 6.80% per annum. Subsidized Stafford Loans made on or after July 1, 2008 but before July 1, 2009 bear interest at a rate equal to 6.00% per annum. Subsidized Stafford Loans made on or after July 1, 2009 but before July 1, 2010 bear interest at a rate equal to 5.60% per annum.

Unsubsidized Stafford Loans made on or after July 1, 2006 and before July 1, 2010 bear interest at a rate equal to 6.80% per annum.

PLUS Loans. PLUS Loans made on or after October 1, 1998 but before July 1, 2006 bear interest at a rate equivalent to the 91-day T-Bill rate plus 3.10%, with a maximum rate of 9.00%. The rate is adjusted annually on July 1. PLUS Loans made on or after July 1, 2006 and before July 1, 2010 bear interest at a rate equal to 8.50% per annum.

Consolidation Loans. Consolidation Loans for which the application was received by an eligible lender on or after October 1, 1998 and that was disbursed before July 1, 2010 bear interest at a fixed rate equal to the lesser of (a) the weighted average of the interest rates on the loans consolidated, rounded upward to the nearest 1/8 of 1.00%; or (b) 8.25%. For Consolidation Loans disbursed before July 1, 1994, the applicable interest rate is fixed at the greater of 9% or the weighted average of the interest rates on the loans being consolidated, rounded to the nearest whole percent. For Consolidation Loans disbursed on or after July 1, 1994, based on applications received by the lender before November 13, 1997, the applicable interest rate is fixed and is based on the weighted average of the interest rates on the loans being consolidated, rounded up to the nearest whole percent. For Consolidation Loans (which do not include a HEAL loan) on which the application was received by the lender between November 13, 1997 and September 30, 1998, inclusive, the applicable interest rate is variable based on the bond equivalent rate of the 91-day Treasury bills, auctioned at the final auction before the preceding June, plus 3.1% (adjusted annually on July 1).

Servicemembers Civil Relief Act—6.00% Interest Rate Limitation. As of August 14, 2008, FFELP Loans incurred by a servicemember, or by a servicemember and the servicemember's spouse jointly, before the servicemember enters military service may not bear interest at a rate in excess of 6.00% during the period of military service.

Loan Disbursements

The Higher Education Act generally required that Stafford Loans and PLUS Loans made to cover multiple enrollment periods, such as a semester, trimester, or quarter, be disbursed by eligible lenders in at least two separate disbursements. The Higher Education Act also generally required that the first installment of such loans made to a student who was entering the first year of a program of undergraduate education and who had not previously obtained a FFEL Program loan (a "First FFEL Student") must have been presented by the institution to the student 30 days after the First FFEL Student begins a course of study. However, certain institutions whose cohort default rate was less than 10% prior to October 1, 2011 and less than 15% on or after October 1, 2011 for each of the three most recent fiscal years for which data was available were permitted to (a) disburse any such loan made in a single installment for any period of enrollment that was not more than a semester, trimester, quarter, or four months; and (b) deliver any such loan that was to be made to a First FFEL Student prior to the end of the 30-day period after the First FFEL Student began his or her course of study at the institution.

Loan Limits

A Stafford Loan borrower was permitted to receive a subsidized loan, an unsubsidized loan, or a combination of both for an academic period. Generally, the maximum amount of Stafford Loans, made prior to July 1, 2007, for an academic year was not permitted to exceed $2,625 for the first year of undergraduate study, $3,500 for the second year of undergraduate study and $5,500 per year for the remainder of undergraduate study. The maximum amount of Stafford Loans, made on or after July 1, 2007, for an academic year was not permitted to exceed $3,500 for the first year of undergraduate study and $4,500 for the second year of undergraduate study. The aggregate limit for undergraduate study was $23,000 (excluding PLUS Loans). Dependent undergraduate students were permitted to receive an additional unsubsidized Stafford Loan of up to $2,000 per academic year, with an aggregate maximum of $31,000. Independent undergraduate students were permitted to receive an additional Unsubsidized Stafford Loan of up to $6,000 per academic year for the first two years and up to $7,000 per academic year thereafter, with an aggregate maximum of $57,500. The maximum amount of subsidized loans for an academic year for graduate students was $8,500. Graduate students were permitted to borrow an additional Unsubsidized Stafford Loan of up to $12,000 per academic year. The Secretary had discretion to raise these limits by regulation to accommodate highly specialized or exceptionally expensive courses of study.

The total amount of all PLUS Loans that (a) parents were permitted to borrow on behalf of each dependent student, or (b) graduate or professional students were permitted to borrow for any academic year was not permitted to exceed the student's estimated cost of attendance minus other financial assistance for that student as certified by the eligible institution which the student attends.

Repayment

General. Repayment of principal on a Stafford Loan does not commence while a student remains a qualified student, but generally begins six months after the date a borrower ceases to pursue at least a half-time course of study (the six-month period is the "Grace Period"). Repayment of interest on an Unsubsidized Stafford Loan begins immediately upon disbursement of the loan; however, the lender may capitalize the interest until repayment of principal is scheduled to begin. Except for certain borrowers as described below, each loan generally must be scheduled for repayment over a period of not more than 10 years after the commencement of repayment. The Higher Education Act currently requires minimum annual payments of $600, including principal and interest, unless the borrower and the lender agree to lesser payments. Regulations of the Secretary require lenders to offer borrowers standard, graduated, income-sensitive, or, as of July 1, 2009 for certain eligible borrowers, income-based repayment plans. Use of income-based repayment plans may extend the 10-year maximum term.

Effective July 1, 2009, a new income-based repayment plan became available to certain FFEL Program borrowers and Direct Loan Program borrowers. To be eligible to participate in the plan, the borrower's annual amount due on loans made to a borrower prior to July 1, 2010 with respect to FFEL Program borrowers and prior to July 1, 2014 with respect to Direct Loan Program borrowers (as calculated under a standard 10-year repayment plan for such loans) must exceed 15% of the result obtained by calculating the amount by which the borrower's adjusted gross income (and the borrower's spouse's adjusted gross income, if applicable) exceeds 150% of the poverty line applicable to the borrower's family size. With respect to any loan made to a new Direct Loan Program borrower on or after July 1, 2014, the borrower's annual amount due on such loans (as calculated under a standard 10-year repayment plan for such loans) must exceed 10% of the result obtained by calculating the amount by which the borrower's adjusted gross income (and the borrower's spouse's adjusted gross income, if applicable) exceeds 150% of the poverty line applicable to the borrower's family size. Such a borrower may elect to have his payments limited to the monthly amount of the above-described result. Furthermore, the borrower is permitted to repay his loans over a term greater than 10 years. The Secretary will repay any outstanding principal and interest on eligible FFEL Program loans and cancel any outstanding principal and interest on eligible Direct Loan Program loans for borrowers who participated in the new income-based repayment plan and, for a period of time prescribed by the Secretary (but not more than 25 years for a borrower whose loan was made prior to July 1, 2010 with respect to FFEL Program loans and prior to July 1, 2014 with respect to Direct Loan Program loans and not more than 20 years for a Direct Loan Program borrower whose loan was made on or after July 1, 2014), have (a) made certain reduced monthly payments under the income-based repayment plan, (b) made certain payments based on a 10-year repayment period when the borrower first made the election to participate in the income-based repayment plan, (c) made certain payments based on a standard 10-year repayment period, (d) made certain payments under an income-contingent repayment plan for certain Direct Loan Program loans, or (e) have been in an economic hardship deferment.

Borrowers of Subsidized Stafford Loans and of the subsidized portion of Consolidation Loans, and borrowers of similar subsidized loans under the Direct Loan Program receive additional benefits under the new income-based repayment program: the Secretary will pay any unpaid interest due on the borrower's subsidized loans for up to three years after the borrower first elects to participate in the new income-based repayment plan (excluding any periods where the borrower has obtained economic hardship deferment). For both subsidized and unsubsidized loans, interest is capitalized when the borrower either ends his participation in the income-based repayment program or begins making certain payments under the program calculated for those borrowers whose financial hardship has ended.

PLUS Loans enter repayment on the date the last disbursement is made on the loan. Interest accrues and is due and payable from the date of the first disbursement of the loan. The first payment is due within 60 days after the loan is fully disbursed, subject to deferral. For parent borrowers whose loans were first disbursed on or after July 1, 2008, it is possible, upon the request of the parent, to begin repayment on the later of (a) six months and one day after the student for whom the loan is borrowed ceases to carry at least one-half of the normal full-time academic workload (as determined by the school); and (b) if the parent borrower is also a student, six months and one day after the date such parent borrower ceases to carry at least one-half such a workload. Similarly, graduate and professional student borrowers whose loans were first disbursed on or after July 1, 2008 may begin repayment six months and one day after such student ceases to carry at least one-half the normal full-time academic workload (as determined by the school). Repayment plans are the same as in the Subsidized and Unsubsidized Stafford Loan Program for all PLUS Loans except those PLUS Loans which are made, insured, or guaranteed on behalf of a dependent student; such excepted PLUS Loans are not eligible for the income-based repayment plan which became effective on July 1, 2009. Furthermore, eligible lenders were permitted to determine for all PLUS Loan borrowers (a) whose loans were first disbursed on or after July 1, 2008 that extenuating circumstances existed if between January 1, 2007 through December 31, 2009, a PLUS Loan applicant (i) was or had been delinquent for 180 days or less on the borrower's residential mortgage loan payments or on medical bills; and (ii) did not otherwise have an adverse credit history, as determined by the lender in accordance with the regulations promulgated under the Higher Education Act prior to May 7, 2008; and (b) whose loans were first disbursed prior to July 1, 2008 that extenuating circumstances existed if between January 1, 2007 through December 31, 2009, a PLUS Loan applicant (i) was or had been delinquent for 180 days or less on the borrower's residential mortgage loan or on medical bills and (ii) was not and had not been delinquent on the repayment of any other debt for more than 89 days during the period.

Consolidation Loans enter repayment on the date the loan is disbursed. The first payment is due within 60 days after all holders of the loan have discharged the liabilities of the borrower on the loan selected for consolidation. Consolidation Loans which are not being paid pursuant to income-sensitive repayment plans (or, as of July 1, 2009, income-based repayment plans) must generally be repaid during a period agreed to by the borrower and lender, subject to maximum repayment periods which vary depending upon the principal amount of the borrower's outstanding student loans (but no longer than 30 years for Consolidation Loans made after January 1, 1993). Consolidation Loans may also be repaid pursuant to the new income-based repayment plan which became effective on July 1, 2009. However, Consolidation Loans which have been used to repay a PLUS Loan that has been made, insured, or guaranteed on behalf of a dependent student were not eligible for this new income-based repayment plan.

FFEL Program borrowers who accumulate outstanding FFELP Loans on or after October 7, 1998 totaling more than $30,000 were permitted to receive an extended repayment plan, with a fixed annual or graduated payment amount paid over a longer period of time, not to exceed 25 years. A borrower may accelerate principal payments at any time without penalty. Once a repayment plan is established, the borrower may annually change the selection of the plan.

Deferment and Forbearance Periods. No principal repayments need to be made during certain periods prescribed by the Higher Education Act ("Deferment Periods") but interest accrues and must be paid. Generally, Deferment Periods include periods (a) when the borrower has returned to an eligible educational institution on a half-time basis or is pursuing studies pursuant to an approved graduate fellowship or an approved rehabilitation training program for disabled individuals; (b) not in excess of three years while the borrower is seeking and unable to find full-time employment; (c) while the borrower is serving on active duty during a war or other military operation or national emergency, is performing qualifying National Guard duty during a war or other military operation or national emergency, and for 180 days following the borrower's demobilization date for the above described services; (d) during the 13 months following service if the borrower is a member of the National Guard, a member of a reserve component of the military, or a retired member of the military who (i) is called or ordered to active duty, and (ii) is or was enrolled within six months prior to the activation at an eligible educational institution; (e) if the borrower is in active military duty, or is in reserve status and called to active duty; and (f) not in excess of three years for any reason which the lender determines, in accordance with regulations, has caused or will cause the borrower economic hardship. Deferment periods extend the maximum repayment periods. Under certain circumstances, a lender may also allow periods of forbearance ("Forbearance") during which the borrower may defer payments because of temporary financial hardship. The Higher Education Act specifies certain periods during which Forbearance is mandatory. Mandatory Forbearance periods include, but are not limited to, periods during which the borrower is (i) participating in a medical or dental residency and is not eligible for deferment, (ii) serving in a qualified medical or dental internship program or certain national service programs, or (iii) determined to have a debt burden of certain federal loans equal to or exceeding 20% of the borrower's gross income. In other circumstances, Forbearance may be granted at the lender's option. Forbearance also extends the maximum repayment periods.

Master Promissory Notes

Since July 2000, all lenders were required to use a master promissory note (the "MPN") for new Stafford Loans. Unless otherwise notified by the Secretary, each institution of higher education that participated in the FFEL Program was permitted to use a master promissory note for FFELP Loans. The MPN permitted a borrower to obtain future loans without the necessity of executing a new promissory note. Borrowers were not, however, required to obtain all of their future loans from their original lender, but if a borrower obtains a loan from a lender which does not presently hold an MPN for that borrower, that borrower was required to execute a new MPN. A single borrower may have several MPNs evidencing loans to multiple lenders. If multiple loans have been advanced pursuant to a single MPN, any or all of those loans may be individually sold by the holder of the MPN to one or more different secondary market purchasers.

Interest Benefit Payments

The Secretary is to pay interest on Subsidized Stafford Loans while the borrower is a qualified student, during a Grace Period or during certain Deferment Periods. In addition, Consolidation Loans made after August 10, 1993 that repay only Subsidized Stafford Loans are eligible for interest subsidy payments. Consolidation Loans made on or after November 13, 1997, are eligible for interest subsidy payments on that portion of the Consolidation Loan that repays subsidized FFELP Loans or similar subsidized loans made under the Direct Loan Program are eligible for interest benefit payments. The Secretary is required to make interest benefit payments to the holder of Subsidized Stafford Loans in the amount of interest accruing on the unpaid balance thereof prior to the commencement of repayment or during any Deferment Period. The Higher Education Act provides that the holder of an eligible Subsidized Stafford Loan, or the eligible portions of Consolidation Loans, shall be deemed to have a contractual right against the United States to receive interest benefit payments in accordance with its provisions.

Special Allowance Payments

The Higher Education Act provides for special allowance payments to be made by the Secretary to eligible lenders. The rates for special allowance payments are based on formulas that differ according to the type of loan, the date the loan was first disbursed, the interest rate and the type of funds used to finance such loan (tax-exempt or taxable). Loans made or purchased with funds obtained by the holder from the issuance of tax-exempt obligations issued prior to October 1, 1993 have an effective minimum rate of return of 9.50%. Amounts derived from recoveries of principal on loans made prior to October 1, 1993 may only be used to originate or acquire additional loans by a unit of a state or local government, or non-profit entity not owned or controlled by or under common ownership of a for-profit entity and held directly or through any subsidiary, affiliate or trustee, which entity has a total unpaid balance of principal equal to or less than $100,000,000 on loans for which special allowances were paid in the most recent quarterly payment prior to September 30, 2005. Such entities were permitted to originate or acquire additional loans with amounts derived from recoveries of principal until December 31, 2010. The special allowance payments payable with respect to student loans acquired or funded with the proceeds of tax-exempt obligations issued after September 30, 1993 are equal to those paid to other lenders.

Public Law 112-74, dated December 23, 2011, amended the Higher Education Act, reflecting financial market conditions, to allow FFELP lenders to make an affirmative election to permanently change the index for special allowance payment calculations on all FFELP loans in the lender's portfolio (with certain limited exceptions) disbursed after January 1, 2000 from the Three Month Commercial Paper Rate (as hereafter defined) to the one-month LIBOR index, commencing with the special allowance payment calculations for the calendar quarter beginning on April 1, 2012. Such election to permanently change the index for special allowance payment calculations must have been made by April 1, 2012 and must also have waived all contractual, statutory or other legal rights to the special allowance payment calculation formula in effect at the time the loans were first disbursed.

The Adjustable Interest Rate (LIBOR) Act (the "Federal LIBOR Act") signed into law by the President on March 15, 2022, in part, amends the Higher Education Act to substitute the 30-day Average Secured Overnight Financing Rate ("SOFR") in effect for each of the days in an applicable calendar quarter, adjusted daily by adding the tenor spread adjustment of 0.11448 percent for One Month LIBOR as the basis for Special Allowance Payment rate-setting ("30 Day Average SOFR Adjusted Rate"). The rate-setting mechanism for Special Allowance Payments transitioned from LIBOR to SOFR on July 1, 2023.

Subject to the foregoing, the formulas for special allowance payment rates for Subsidized and Unsubsidized Stafford Loans are summarized in the following chart. The term "T-Bill" as used in this table and the following table, means the average 91-day Treasury bill rate calculated at a "bond equivalent rate" in the manner applied by the Secretary as referred to in Section 438 of the Higher Education Act. The term "Three Month Commercial Paper Rate" means the 90-day commercial paper index calculated quarterly and based on an average of the daily 90-day commercial paper rates reported in the Federal Reserve's Statistical Release H-15. The term "One Month LIBOR Rate" means the one-month London Interbank Offered Rate for United States dollars in effect for each of the days in such quarter as compiled and released by Intercontinental Exchange Group (ICE) and from and after July 1, 2023, refers to 30-Day Average SOFR.

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Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after July 1, 1995	T-Bill Rate less Applicable Interest Rate + 3.10% [1]
On or after July 1, 1998	T-Bill Rate less Applicable Interest Rate + 2.80% [2]
On or after January 1, 2000 (and before September 30, 2007)	Three Month Commercial Paper Rate [6] less Applicable Interest Rate + 2.34% [3]
On or after October 1, 2007 and before July 1, 2010 if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate [6] less Applicable Interest Rate + 1.94% [4]
On or after October 1, 2007 and before July 1, 2010 if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate [6] less Applicable Interest Rate + 1.79% [5]

[1] Substitute 2.50% in this formula while such loans are in the in-school or grace period.

[2] Substitute 2.20% in this formula while such loans are in the in-school or grace period.

[3] Substitute 1.74% in this formula while such loans are in the in-school or grace period.

[4] Substitute 1.34% in this formula while such loans are in the in-school or grace period.

[5] Substitute 1.19% in this formula while such loans are in the in-school or grace period.

[6] Substitute "30-day Average SOFR" in this formula pursuant to the Adjustable Interest Rate (LIBOR) Act. This formula previously substituted "One Month LIBOR Rate" for "Three Month Commercial Paper Rate" where lenders made the affirmative election by no later than April 1, 2012 under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender's portfolio.

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The formulas for special allowance payment rates for PLUS Loans are as follows:

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after January 1, 2000 (and before September 30, 2007)	Three Month Commercial Paper Rate* less Applicable Interest Rate +2.64%
On or after October 1, 2007 and before July 1, 2010 if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.94%
On or after October 1, 2007 and before July 1, 2010 if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 1.79%

* Substitute "30-day Average SOFR" in this formula pursuant to the Adjustable Interest Rate (LIBOR) Act. This formula previously substituted "One Month LIBOR Rate" for "Three Month Commercial Paper Rate" where lenders made the affirmative election by no later than April 1, 2012 under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender's portfolio.

The formulas for special allowance payment rates for Consolidation Loans are as follows:

Date of Loans	Annualized SAP Rate
On or after October 1, 1992	T-Bill Rate less Applicable Interest Rate + 3.10%
On or after January 1, 2000 (and before September 30, 2007)	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.64%
On or after October 1, 2007 and before July 1, 2010 if an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.24%
On or after October 1, 2007 and before July 1, 2010 if an eligible lender other than an eligible not-for-profit lender (or an eligible lender trustee on its behalf) is the holder of the loan	Three Month Commercial Paper Rate* less Applicable Interest Rate + 2.09%

Substitute "30-day Average SOFR" in this formula pursuant to the Adjustable Interest Rate (LIBOR) Act. This formula previously substituted "One Month LIBOR Rate" for "Three Month Commercial Paper Rate" where lenders made the affirmative election by no later than April 1, 2012 under Public Law 112-74, dated December 23, 2011, to permanently change the index for Special Allowance Payment calculations for all loans in the lender's portfolio.

Special allowance payments are generally payable, with respect to variable rate FFELP Loans to which a maximum borrower interest rate applies, only when the maximum borrower interest rate is in effect. The Secretary offsets interest benefit payments and special allowance payments by the amount of origination fees and lender loan fees described under the caption "Loan Fees" below.

The Higher Education Act provides that a holder of a qualifying loan who is entitled to receive special allowance payments has a contractual right against the United States to receive those payments during the life of the loan. Receipt of special allowance payments, however, is conditioned on the eligibility of the loan for federal insurance or reinsurance benefits. Such eligibility may be lost due to violations of federal regulations or Guaranty Agencies' requirements.

The Higher Education Act provides that for FFELP Loans first disbursed prior to April 1, 2006, lenders are entitled to retain interest income in excess of the special allowance support level in instances when the loan rate exceeds the special allowance support level. However, lenders are not allowed to retain interest income in excess of the special allowance support level on FFELP loans disbursed on or after April 1, 2006, and are required to rebate any such "excess interest" to the Secretary on a quarterly basis. This modification effectively limits lenders' returns to the special allowance support level and could require a lender to rebate excess interest accrued but not yet received.

Loan Fees

Insurance Premium. For loans guaranteed before July 1, 2006, a Guaranty Agency was authorized to charge a premium, or guarantee fee, of up to 1.00% of the principal amount of the loan, which may be deducted proportionately from each installment of the loan. Generally, Guaranty Agencies had waived this fee since 1999. For loans guaranteed on or after July 1, 2006 that are first disbursed before July 1, 2010, a federal default fee equal to 1.00% of principal was required to be paid into such Guaranty Agency's Federal Student Loan Reserve Fund (hereinafter defined as the "Federal Fund").

Origination Fee. Lenders were authorized to charge borrowers of Subsidized Stafford Loans and Unsubsidized Stafford Loans an origination fee in an amount not to exceed: 3.00% of the principal amount of the loan for loans disbursed prior to July 1, 2006; 2.00% of the principal amount of the loan for loans disbursed on or after July 1, 2006 and before July 1, 2007; 1.50% of the principal amount of the loan for loans disbursed on or after July 1, 2007 and before August 1, 2008; 1.00% of the principal amount of the loan for loans disbursed on or after August 1, 2008 and before July 1, 2009; and 0.50% of the principal amount of the loan for loans disbursed on or after July 1, 2009 and before July 1, 2010. The Secretary is authorized to charge borrowers of Direct Loans 4.00% of the principal amount of the loan for loans disbursed prior to February 8, 2006. A lender was permitted to charge a lesser origination fee to Stafford Loan borrowers so long as the lender did so consistently with respect to all borrowers who resided in or attended school in a particular state. For borrowers of Direct Loans other than Federal Direct Consolidation Loans and Federal Direct PLUS Loans, the Secretary may charge such borrowers as follows: 3.00% of the principal amount of the loan for loans disbursed on or after February 8, 2006 and before July 1, 2007; 2.50% of the principal amount of the loan for loans disbursed on or after July 1, 2007 and before August 1, 2008; 2.00% of the principal amount of the loan for loans disbursed on or after August 1, 2008 and before July 1, 2009; 1.50% of the principal amount of the loan for loans disbursed on or after July 1, 2009 and before July 1, 2010; and 1.00% of the principal amount of the loan for loans disbursed on or after July 1, 2010. These fees must be deducted proportionately from each installment payment of the loan proceeds prior to payment to the borrower. The lenders were required to pass the origination fees received under the FFEL Program on to the Secretary.

Lender Loan Fee. The lender of any FFELP Loan was required to pay to the Secretary an additional origination fee equal to 0.50% of the principal amount of the loan for loans first disbursed on or after

October 1, 1993, but prior to October 1, 2007. For all loans first disbursed on or after October 1, 2007 and before July 1, 2010, the lender was required to pay an additional origination fee equal to 1.00% of the principal amount of the loan.

The Secretary collects from the lender or subsequent holder of the loan the maximum origination fee authorized (regardless of whether the lender actually charges the borrower) and the lender loan fee, either through reductions in interest benefit payments or special allowance payments or directly from the lender or holder of the loan.

Rebate Fee on Consolidation Loans. The holder of any Consolidation Loan for which the first disbursement was made on or after October 1, 1993, is required to pay to the Secretary a monthly rebate fee equal to .0875% (1.05% per annum) of the principal amount plus accrued unpaid interest on the loan. However, for Consolidation Loans for which applications were received from October 1, 1998 to January 31, 1999, inclusive, the monthly rebate fee is approximately equal to .0517% (.62% per annum) of the principal amount plus accrued interest on the loan.

Insurance and Guarantees

A Guaranty Agency guarantees Federal Family Education Loans made to students or parents of students by eligible lenders. A Guaranty Agency generally purchases defaulted student loans which it has guaranteed with its reserve fund (as described under the caption "Guaranty Agency Reserves" below). A Federal Family Education Loan is considered to be in default for purposes of the Higher Education Act when the borrower fails to make an installment payment when due, or to comply with other terms of the loan, and if the failure persists for 270 days in the case of a loan repayable in monthly installments or for 330 days in the case of a loan repayable in less frequent installments. If the loan is guaranteed by a Guaranty Agency in accordance with the provisions of the Higher Education Act, the Guaranty Agency is to pay the holder a percentage of such amount of the loss subject to a reduction (as described in 20 U.S.C. § 1075(b)) within 90 days of notification of such default. The default claim package submitted to a Guaranty Agency must include all information and documentation required under the Federal Family Education Loan Program regulations and such Guaranty Agency's policies and procedures.

The Higher Education Act gives the Secretary of Education various oversight powers over the Guaranty Agencies. These include requiring a Guaranty Agency to maintain its reserve fund at a certain required level and taking various actions relating to a Guaranty Agency if its administrative and financial condition jeopardizes its ability to meet its obligations.

Federal Insurance. The Higher Education Act provides that, subject to compliance with such Act, the full faith and credit of the United States is pledged to the payment of insurance claims and ensures that such reimbursements are not subject to reduction. In addition, the Higher Education Act provides that if a Guaranty Agency is unable to meet its insurance obligations, holders of loans may submit insurance claims directly to the Secretary until such time as the obligations are transferred to a new Guaranty Agency capable of meeting such obligations or until a successor Guaranty Agency assumes such obligations. Federal reimbursement and insurance payments for defaulted loans are paid from the student loan insurance fund established under the Higher Education Act. The Secretary is authorized, to the extent provided in advance by appropriations acts, to issue obligations to the Secretary of the Treasury to provide funds to make such federal payments.

Guarantees. If the loan is guaranteed by a Guaranty Agency in accordance with the provisions of the Higher Education Act, the eligible lender is reimbursed by the Guaranty Agency for a statutorily set percentage (100% for loans first disbursed prior to October 1, 1993, 98% for loans first disbursed prior to July 1, 2006 and 97% for loans first disbursed on or after July 1, 2006 but before July 1, 2010) of the unpaid principal balance of the loan plus accrued unpaid interest on any defaulted loan so long as the eligible lender has properly serviced such loan. Under the Higher Education Act, the Secretary enters into a guarantee agreement and a reinsurance agreement (the "Guarantee Agreements") with each Guaranty Agency which provides for federal reimbursement for amounts paid to eligible lenders by the Guaranty Agency with respect to defaulted loans.

Guarantee Agreements. Pursuant to the Guarantee Agreements, the Secretary is to reimburse a Guaranty Agency for the amounts expended in connection with a claim resulting from the death of a borrower; bankruptcy of a borrower; total and permanent disability of a borrower (including those borrowers who have been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected condition); inability of a borrower to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, has lasted continuously for at least 60 months, or can be expected to last continuously for at least 60 months; the death of a student whose parent is the borrower of a PLUS Loan; certain claims by borrowers who are unable to complete the programs in which they are enrolled due to school closure; borrowers whose borrowing eligibility was falsely certified by the eligible institution; or the amount of an unpaid refund due from the school to the lender in the event the school fails to make a required refund. Such claims are not included in calculating a Guaranty Agency's claims rate experience for federal reimbursement purposes. Generally, educational loans are non-dischargeable in bankruptcy unless the bankruptcy court determines that the debt will impose an undue hardship on the borrower and the borrower's dependents. Further, the Secretary is to reimburse a Guaranty Agency for any amounts paid to satisfy claims not resulting from death, bankruptcy, or disability subject to reduction as described below. See the caption "Education Loans Generally Not Subject to Discharge in Bankruptcy" below.

The Secretary may terminate Guarantee Agreements if the Secretary determines that termination is necessary to protect the federal financial interest or to ensure the continued availability of loans to student or parent borrowers. Upon termination of such Guarantee Agreements, the Secretary is authorized to provide the Guaranty Agency with additional advance funds with such restrictions on the use of such funds as is determined appropriate by the Secretary, in order to meet the immediate cash needs of the Guaranty Agency, ensure the uninterrupted payment of claims, or ensure that the Guaranty Agency will make loans as the lender-of-last-resort.

If the Secretary has terminated or is seeking to terminate Guarantee Agreements, or has assumed a Guaranty Agency's functions, notwithstanding any other provision of law: (a) no state court may issue an order affecting the Secretary's actions with respect to that Guaranty Agency; (b) any contract entered into by the Guaranty Agency with respect to the administration of the Guaranty Agency's reserve funds or assets purchased or acquired with reserve funds shall provide that the contract is terminable by the Secretary upon 30 days' notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets or is inconsistent with the terms or purposes of the Higher Education Act; and (c) no provision of state law shall apply to the actions of the Secretary in terminating the operations of the Guaranty Agency. Finally, notwithstanding any other provision of law, the Secretary's liability for any outstanding liabilities of a Guaranty Agency (other than outstanding student loan guarantees under the Higher Education Act), the functions of which the Secretary has assumed, shall not exceed the fair market value of the reserves of the Guaranty Agency, minus any necessary liquidation or other administrative costs.

Reimbursement. The amount of a reimbursement payment on defaulted loans made by the Secretary to a Guaranty Agency is subject to reduction based upon the annual claims rate of the Guaranty Agency calculated to equal the amount of federal reimbursement as a percentage of the original principal amount of originated or guaranteed loans in repayment on the last day of the prior fiscal year. The claims experience is not accumulated from year to year, but is determined solely on the basis of claims in any one federal fiscal year compared with the original principal amount of loans in repayment at the beginning of that year. The formula for reimbursement amounts is summarized below:

Claims Rate	Guaranty Agency Reinsurance Rate for Loans made prior to October 1, 1993	Guaranty Agency Reinsurance Rate for Loans made between October 1, 1993 and September 30, 1998	Guaranty Agency Reinsurance Rate for Loans made on or after October 1, 1998 and prior to July 1, 2010 [*]
0% up to 5%	100%	98%	95%
5% up to 9%	100% of claims up to 5%; and 90% of claims 5% and over	98% of claims up to 5%; and 88% of claims 5% and over	95% of claims up to 5% and 85% of claims 5% and over
9% and over	100% of claims up to 5%; 90% of claims 5% up to 9%; 80% of claims 9% and over	98% of claims up to 5%; 88% of claims 5% up to 9%; 78% of claims 9% and over	95% of claims up to 5%, 85% of claims 5% up to 9%; 75% of claims 9% and over

[*] Student loans made pursuant to the lender-of-last resort program have an amount of reinsurance equal to 100%; student loans transferred by an insolvent Guaranty Agency have an amount of reinsurance ranging from 80% to 100%. The Consolidated Appropriations Act, 2016, Pub. L. 114-113, signed by the President on December 18, 2015 changed the applicable reinsurance percentage for guaranty agencies on default claims in the FFEL program from 95% to 100% if such guaranty agency's "*trigger rate*" is below 5.0%.

The amount of loans guaranteed by a Guaranty Agency which are in repayment for purposes of computing reimbursement payments to a Guaranty Agency means the original principal amount of all loans guaranteed by a Guaranty Agency less: (a) guarantee payments on such loans, (b) the original principal amount of such loans that have been fully repaid, and (c) the original amount of such loans for which the first principal installment payment has not become due.

In addition, the Secretary may withhold reimbursement payments if a Guaranty Agency makes a material misrepresentation or fails to comply with the terms of its agreements with the Secretary or applicable federal law. A supplemental guarantee agreement is subject to annual renegotiation and to termination for cause by the Secretary.

Under the Guarantee Agreements, if a payment by the borrower on a FFELP Loan guaranteed by a Guaranty Agency is received after reimbursement by the Secretary, the Secretary is entitled to receive an equitable share of the borrower's payment. The Secretary's equitable share of the borrower's payment equals the amount remaining after the Guaranty Agency has deducted from such payment: (a) the percentage amount equal to the complement of the reinsurance percentage in effect when payment under the Guarantee Agreement was made with respect to the loan; and (b) as of October 1, 2007, 16% of the borrower's payments (to be used for the Guaranty Agency's Operating Fund (hereinafter defined)). The percentage deduction for use of the borrower's payments for the Guaranty Agency's Operating Fund varied prior to October 1, 2007; from October 1, 2003 through and including September 30, 2007, the percentage in effect was 23% and prior to October 1, 2003, the percentage in effect was 24%. The Higher Education Act further provides that on or after October 1, 2006, a Guaranty Agency may not charge a borrower collection costs in an amount in excess of 18.50% of the outstanding principal and interest of a defaulted loan that is paid off through consolidation by the borrower; provided that the Guaranty Agency must remit to the Secretary a portion of the collection charge equal to 8.50% of the outstanding principal and interest of the defaulted loan. In addition, on or after October 1, 2009, a Guaranty Agency must remit to the Secretary any collection fees on defaulted loans paid off with consolidation proceeds by the borrower which are in excess of 45% of the Guaranty Agency's total collections on defaulted loans in any one federal fiscal year.

Lender Agreements. Pursuant to most typical agreements for guarantee between a Guaranty Agency and the originator of the loan, any eligible holder of a loan insured by such a Guaranty Agency is entitled to reimbursement from such Guaranty Agency, subject to certain limitations, of any proven loss incurred by the holder of the loan resulting from default, death, permanent and total disability, certain medically determinable physical or mental impairment, or bankruptcy of the student borrower at the rate of 98% for loans in default made on or after October 1, 1993 but prior to July 1, 2006 and 97% for loans in default made on or after July 1, 2006 but prior to July 1, 2010. Certain holders of loans may receive higher reimbursements from Guaranty Agencies. For example, lenders of last resort may receive reimbursement at a rate of 100% from Guaranty Agencies.

Guaranty Agencies generally deem default to mean a student borrower's failure to make an installment payment when due or to comply with other terms of a note or agreement under circumstances in which the holder of the loan may reasonably conclude that the student borrower no longer intends to honor the repayment obligation and for which the failure persists for 270 days in the case of a loan payable in monthly installments or for 330 days in the case of a loan payable in less frequent installments. When a loan becomes at least 60 days past due, the holder is required to request default aversion assistance from the applicable Guaranty Agency in order to attempt to cure the delinquency. When a loan becomes 240 days past due, the holder is required to make a final demand for payment of the loan by the borrower. The holder is required to continue collection efforts until the loan is 270 days past due. At the time of payment of insurance benefits, the holder must assign to the applicable Guaranty Agency all right accruing to the holder under the note evidencing the loan. The Higher Education Act prohibits a Guaranty Agency from filing a claim for reimbursement with respect to losses prior to 270 days after the loan becomes delinquent with respect to any installment thereon.

Any holder of a loan is required to exercise due care and diligence in the servicing of the loan and to utilize practices which are at least as extensive and forceful as those utilized by financial institutions in the collection of other consumer loans. If a Guaranty Agency has probable cause to believe that the holder has made misrepresentations or failed to comply with the terms of its agreement for guarantee, the Guaranty Agency may take reasonable action including withholding payments or requiring reimbursement of funds. The Guaranty Agency may also terminate the agreement for cause upon notice and hearing.

Rehabilitation of Defaulted Loans. Under the Higher Education Act, the Secretary of Education is authorized to enter into an agreement with each Guaranty Agency pursuant to which a Guaranty Agency sells defaulted student loans that are eligible for rehabilitation to an eligible lender. For a defaulted student loan to be rehabilitated, the borrower must request rehabilitation and the applicable Guaranty Agency must receive an on-time, voluntary, full payment each month for 12 consecutive months. However, effective July 1, 2006, for a student loan to be eligible for rehabilitation, the applicable Guaranty Agency must receive nine payments made within 20 days of the due date during 10 consecutive months. Upon rehabilitation, a student loan is eligible for all the benefits under the Higher Education Act for which it would have been eligible had no default occurred.

A Guaranty Agency repays the Secretary an amount equal to 100% of the amount of the principal balance outstanding at the time of the sale of such student loan, multiplied by the reinsurance percentage in effect when payment under the guaranty agreement was made with respect to the student loan, and may charge to the borrower an amount not to exceed 16% of the outstanding principal and interest at the time of the loan sale. The amount of such repayment is deducted from the amount of federal reimbursement payments for the fiscal year in which such repayment occurs, for purposes of determining the reimbursement rate for that fiscal year.

Loans Subject to Repurchase. The Higher Education Act requires a lender to repurchase student loans from a Guaranty Agency, under certain circumstances, after a Guaranty Agency has paid for the student loan through the claim process. A lender is required to repurchase: (a) a student loan found to be legally unenforceable against the borrower; (b) a student loan for which a bankruptcy claim has been paid if the borrower's bankruptcy is subsequently dismissed by the court or, as a result of the bankruptcy hearing, the student loan is considered non-dischargeable and the borrower remains responsible for repayment of the student loan; (c) a student loan which is subsequently determined not to be in default; or (d) a student loan for which a Guaranty Agency inadvertently paid the claim.

Guaranty Agency Reserves

Each Guaranty Agency is required to establish a Federal Fund which, together with any earnings thereon, is deemed to be property of the United States. Each Guaranty Agency is required to deposit into the Federal Fund any reserve funds plus reinsurance payments received from the Secretary, a certain percentage of default collections equal to the complement of the reinsurance percentage in effect when payment under the Guarantee Agreement was made, insurance premiums, 70% of payments received after October 7, 1998 from the Secretary for administrative cost allowances for loans insured prior to that date, and other receipts as specified in regulations. A Guaranty Agency is authorized to transfer up to 180 days' cash expenses for normal operating expenses (other than claim payments) from the Federal Fund to the Operating Fund at any time during the first three years after establishment of the fund. The Federal Fund may be used to pay lender claims and to pay default aversion fees into the Operating Fund. A Guaranty Agency is also required to establish an operating fund (the "Operating Fund"), which, except for funds transferred from the Federal Fund to meet operating expenses during the first three years after fund establishment, is the property of the Guaranty Agency. A Guaranty Agency was permitted to deposit into the Operating Fund loan processing and issuance fees equal to 0.40% of the total principal amount of loans insured during the fiscal year for loans originated on or after October 1, 2003 and first disbursed before July 1, 2010, 30% of payments received after October 7, 1998 for the administrative cost allowances for loans insured prior to that date, the account maintenance fee paid by the Secretary for Direct Loan Program loans in the amount of 0.06% of the original principal amount of the outstanding loans insured, any default aversion fee that is paid, the Guaranty Agency's 16% retention on collections of defaulted loans and other receipts as specified in the regulations. An Operating Fund must be used for application processing, loan disbursement, enrollment and repayment status management, default aversion, collection activities, school and lender training, financial aid awareness and related outreach activities, compliance monitoring, and other student financial aid related activities. For Subsidized and Unsubsidized Stafford Loans guaranteed on or after July 1, 2006 and first disbursed before July 1, 2010, Guaranty Agencies were required to collect and deposit a federal default fee to the Federal Fund equal to 1.00% of the principal amount of the loan.

The Higher Education Act provides for a recall of reserves from each Federal Fund in certain years, but also provides for certain minimum reserve levels which are protected from recall. The Secretary is authorized to enter into voluntary, flexible agreements with Guaranty Agencies under which various statutory and regulatory provisions can be waived; provided, however, the Secretary is not authorized to waive, among other items, any deposit of default aversion fees by Guaranty Agencies. In addition, under the Higher Education Act, the Secretary is prohibited from requiring the return of all of a Guaranty Agency's reserve funds unless the Secretary determines that the return of these funds is in the best interest of the operation of the FFEL Program, or to ensure the proper maintenance of such Guaranty Agency's funds or assets or the orderly termination of the Guaranty Agency's operations and the liquidation of its assets. The Higher Education Act also authorizes the Secretary to direct a Guaranty Agency to: (a) return to the Secretary all or a portion of its reserve fund which the Secretary determines is not needed to pay for the Guaranty Agency's program fees and contingent liabilities; and (b) cease any activities involving the expenditure, use or transfer of the Guaranty Agency's reserve funds or assets which the Secretary determines is a misapplication, misuse or improper expenditure.

Lender-of-Last-Resort Program

The FFEL Program allowed Guaranty Agencies and certain eligible lenders to act as lenders-of-last-resort before July 1, 2010. A lender-of-last-resort was authorized to receive advances from the Secretary in order to ensure that adequate loan capital exists in order to make loans to students before July 1, 2010. Students and parents of students who were otherwise unable to obtain FFELP Loans (other than Consolidation Loans) were permitted to apply to receive loans from the state's lenders-of-last-resort before July 1, 2010.

Education Loans Generally Not Subject to Discharge in Bankruptcy

Under the U.S. Bankruptcy Code, educational loans are not generally dischargeable. Title 11 of the United States Code at Section 523(a)(8)(A)(i)-(ii) provides that a discharge under Section 727, 1141, 1228(a), 1228(b), or 1328(b) of Title 11 of the United States Code does not discharge an individual debtor from any debt for an education benefit overpayment or loan made, insured, or guaranteed by a governmental unit or made under any program funded in whole or in part by a governmental unit or nonprofit institution, or for an obligation to repay funds received as an educational benefit, scholarship or stipend unless excepting such debt from discharge under this paragraph will impose an undue hardship on the debtor and the debtor's dependents.

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APPENDIX C

GLOBAL CLEARANCE, SETTLEMENT AND TAX DOCUMENTATION PROCEDURES

Except in certain limited circumstances, the notes will be available only in book-entry form as "Global Securities." Investors in the Global Securities may hold such Global Securities through any of DTC or Clearstream. The Global Securities will be tradable as home market instruments in both the European and U.S. domestic markets. Initial settlement and all secondary trades will settle in same-day funds.

Secondary market trading between investors holding Global Securities through Clearstream will be conducted in the ordinary way in accordance with their normal rules and operating procedures and in accordance with conventional eurobond practice.

Secondary market trading between investors holding Global Securities through DTC will be conducted according to the rules and procedures applicable to U.S. corporate debt obligations.

Secondary cross-market trading between Clearstream and DTC participants holding securities will be effected on a delivery-against-payment basis through the respective depositaries of Clearstream (in such capacity) and as DTC participants.

Non-U.S. holders (as described below) of Global Securities will be subject to U.S. withholding taxes unless such holders meet certain requirements and deliver appropriate U.S. tax documents to the securities clearing organizations or their participants.

Initial Settlement

All U.S. dollar-denominated Global Securities will be held in book-entry form by DTC in the name of Cede & Co. as nominee of DTC. Investors' interests in the U.S. dollar-denominated Global Securities will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Clearstream will hold its positions on behalf of their participants through their respective depositaries, which in turn will hold such positions in accounts as DTC participants.

Investors electing to hold their Global Securities through DTC will follow the settlement practices applicable to U.S. corporate debt obligations. Investor securities custody accounts will be credited with their holdings against payment in same-day funds on the settlement date.

Investors electing to hold their Global Securities through Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds, except that there will be no temporary global security and no "lock-up" or restricted period. Global Securities will be credited to the securities custody accounts on the settlement date against payment in same-day funds.

Secondary Market Trading

Since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading Between DTC Participants. Secondary market trading between DTC participants will be settled using the procedures applicable to U.S. corporate debt obligations in same-day funds.

Trading Between Clearstream Participants. Secondary market trading between Clearstream participants will be settled using the procedures applicable to conventional eurobonds in same-day funds.

Trading Between DTC Seller and Clearstream Purchaser. When Global Securities are to be transferred from the account of a DTC participant to the account of a Clearstream participant, the purchaser will send instructions to Clearstream through a Clearstream participant at least one business day prior to settlement. Clearstream will instruct the respective depositary to receive the Global Securities against payment. Payment will include interest accrued on the Global Securities from and including the last coupon payment date to and excluding the settlement date. Payment will then be made by the respective depositary to the DTC participant's account against delivery of the Global Securities.

After settlement has been completed, the Global Securities will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Clearstream participant's account. The Global Securities credit will appear the next day (European time) and the cash debit will be back-valued to, and the interest on the Global Securities will accrue from, the value date (which would be the preceding day when settlement occurred in New York.) If settlement is not completed on the intended value date (i.e., the trade fails), the Clearstream cash debit will be valued instead as of the actual settlement date.

Clearstream participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to preposition funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Clearstream. Under this approach, they may take on credit exposure to Clearstream until the Global Securities are credited to their accounts one day later.

As an alternative, if Clearstream has extended a line of credit to them, Clearstream participants can elect not to preposition funds and allow that credit line to be drawn upon to finance the settlement. Under this procedure, Clearstream participants purchasing Global Securities would incur overdraft charges for one day, assuming they cleared the overdraft when the Global Securities are credited to their accounts. However, interest on the Global Securities would accrue from the value date. Therefore, in many cases the investment income on the Global Securities earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each Clearstream participant's particular cost of funds.

Since the settlement is taking place during New York business hours, DTC participants can employ their usual procedures for sending Global Securities to the applicable depositary for the benefit of Clearstream participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participant, a cross-market transaction will settle no differently than a trade between two DTC participants.

Trading Between Clearstream Seller and DTC Purchaser. Due to time zone differences in their favor, Clearstream participants may employ their customary procedures for transactions in which Global Securities are to be transferred by the respective clearing system, through the respective depositary, to a DTC participant. The seller will send instructions to Clearstream through a Clearstream participant at least one business day prior to settlement. In these cases Clearstream will instruct the depositary, as appropriate, to deliver the securities to the DTC participant's account against payment. Payment will include interest accrued on the Global Securities from and including the last coupon payment date to and excluding the settlement date. The payment will then be reflected in the account of the Clearstream participant the following day, and receipt of the cash proceeds in the Clearstream participant's account would be back-valued to the value date (which would be the preceding day, when settlement occurred in New York). Should the Clearstream participant have a line of credit with its respective clearing system and elect to be in debt in anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft charges incurred over that one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Clearstream Participant's account would instead be valued as of the actual settlement date.

Finally, day traders that use Clearstream and that purchase Global Securities from DTC participants for delivery to Clearstream participants should note that these trades would automatically fail on the sale side unless affirmative action were taken. At least three techniques should be readily available to eliminate this potential problem:

(a) borrowing through Clearstream for one day (until the purchase side of the day trade is reflected in their Clearstream accounts) in accordance with the clearing system's customary procedures;

(b) borrowing the Global Securities in the United States from a DTC participant no later than one day prior to settlement, which would give the Global Securities sufficient time to be reflected in their Clearstream accounts in order to settle the sale side of the trade; or

(c) staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC Participant is at least one day prior to the value date for the sale to the Clearstream participant participant.

Certain U.S. Federal Income Tax Documentation Requirements

In addition to withholding tax under the Foreign Account Tax Compliance Act ("FATCA"), a beneficial owner of Global Securities holding securities may be subject to the U.S. withholding tax or the U.S. backup withholding tax (collectively, the "non-FATCA withholding taxes"), as appropriate on payments of interest (including OID) on registered debt issued by U.S. Persons, unless (a) each clearing system, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business in the chain of intermediaries between such beneficial owner and the U.S. entity required to withhold tax complies with applicable certification requirements, which may include a Form W-8IMY; and (b) such beneficial owner takes one of the following steps to obtain an exemption or reduced tax rate.

Exemption for Non-U.S. Persons (Form W-8BEN and Form W-8BEN-E). Beneficial owners of Global Securities that are non-U.S. Persons can obtain a complete exemption from the non-FATCA withholding taxes by filing a signed Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding (Individuals)) or Form W-8BEN-E (Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities)), as applicable.

Exemption for Non-U.S. Persons With Effectively Connected Income (Form W-8ECI). A non-U.S. Person, including a non-U.S. corporation or partnership, for which the interest income is effectively connected with its conduct of a trade or business in the United States, can obtain an exemption from the non-FATCA withholding taxes by filing Form W-8ECI (Certificate of Foreign Person's Claim for Exemption from Withholding on Income Effectively Connected with the Conduct of a Trade or Business in the United States).

Exemption or Reduced Rate for Non-U.S. Persons Resident in Treaty Countries (Form W-8BEN and Form W-8BEN-E). Non-U.S. Persons that are beneficial owners residing in a country that has a tax treaty with the United States can obtain an exemption or reduced tax rate (depending on the treaty terms and excluding the FATCA withholding taxes) by filing Form W-8BEN or Form W-8BEN-E, as applicable.

Exemption for U.S. Persons (Form W-9). U.S. Persons can obtain a complete exemption from the non-FATCA withholding taxes by filing Form W-9 (Payer's Request for Taxpayer Identification Number and Certification).

U.S. Federal Income Tax Reporting Procedure. The Global Security holder or his agent files by submitting the appropriate form to the person through whom it holds the Global Securities (the clearing agency, in the case of persons holding directly on the books of the clearing agency). Form W-8BEN, Form W-8BEN-E and Form W-8ECI are generally effective from the date signed to the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the Form W-8BEN, Form W-8BEN-E or Form W-8ECI incorrect.

If the information shown on the applicable certification changes, a new certification must be filed within 30 days of the change.

The term "U.S. Person" means (a) a citizen or resident of the United States; (b) a partnership or corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) that is created or organized in or under the laws of the United States or any State thereof (including the District of Columbia); (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (d) a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions. To the extent provided in Treasury regulations, some trusts in existence on August 20, 1996, and treated as U.S. persons before that date, that elect to continue to be treated as U.S. persons, will be U.S. persons and not foreign persons. This Appendix C does not deal with all aspects of U.S. federal income tax withholding that may be relevant to foreign holders of the Global Securities. Investors are advised to consult their own tax advisors for specific tax advice concerning their holding and disposing of the Global Securities.

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$707,900,000

Student Loan Asset-Backed Notes

Nelnet Student Loan Trust 2025-1
Issuing Entity

Nelnet Student Loan Funding III, LLC
Depositor

National Education Loan Network, Inc.
Master Servicer and Administrator

OFFERING MEMORANDUM

Lead Managers

BofA Securities, Inc. **RBC Capital Markets**

Co-Managers

BMO Capital Markets **Northland Securities, Inc.** **Regions Securities LLC**

US Bancorp **Wells Fargo Securities**

You should rely only on the information provided in this Offering Memorandum. We have not authorized anyone to provide you with different information.

We are not offering the notes in any state or other jurisdiction where the offer would not be permitted or which would require us to register or qualify the notes.

November 7, 2025