

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)
March 30, 2020

NELNET, INC.
(Exact name of registrant as specified in its charter)

Nebraska	001-31924	84-0748903
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

121 South 13th Street, Suite 100	68508
Lincoln, Nebraska	
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **(402) 458-2370**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, Par Value \$0.01 per Share	NNI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On April 2, 2020, Nelnet, Inc. (the “Company”) issued a press release announcing the U.S. Department of Education, Office of Federal Student Aid (the “Department”) notified the Company that the Company’s proposal in response to the Enhanced Processing Solution (“EPS”) component of the Department’s Next Generation Financial Servicing Environment (“NextGen”) contract procurement process has been determined to be outside of the competitive range and will receive no further consideration for an award. A copy of the press release is furnished as Exhibit 99.1 to this report.

The above information and Exhibit 99.1 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), nor shall such information and Exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

On March 30, 2020, the Company received a letter from the Department notifying the Company that the Company’s proposal in response to the EPS component of the Department’s NextGen contract procurement process has been determined to be outside of the competitive range and will receive no further consideration for an award. EPS is the technology system and certain processing functions the Department plans to use under NextGen to service the Department’s student loan customers. The Company has requested a debriefing by the Department and the Company intends to file a protest challenging the decision.

The Department’s NextGen contract procurement process is comprised of solicitations, including EPS and Business Process Operations (“BPO”), which will make up a new framework for the servicing of all of the student loans owned by the Department. BPO is the back office and call center operational functions for servicing the Department’s student loan customers. The Company also responded to the BPO component, for which the Department has not yet made an award, and the Company cannot predict the timing, nature, or outcome of the BPO component.

Nelnet Servicing, LLC (“Nelnet Servicing”) and Great Lakes Educational Loan Services, Inc. (“Great Lakes”), both subsidiaries of the Company, have existing contracts with the Department to provide servicing for student loans owned by the Department. As of December 31, 2019, Nelnet Servicing was servicing \$183.8 billion of student loans for 5.6 million borrowers under its contract, and Great Lakes was servicing \$240.0 billion of student loans for 7.4 million borrowers under its contract. Those contracts currently provide for expiration on December 14, 2020, with two potential six-month extensions at the Department’s discretion. If the Department’s NextGen EPS decision stands, Nelnet Servicing and Great Lakes will eventually be required to migrate these portfolios onto another provider’s system after an award is made, and the Company would ultimately need to restructure the Company’s loan servicing segment for long-term success. If the Company is awarded a BPO contract for operational services, it would mitigate the impact of not being awarded the EPS component.

The foregoing discussion under this Item 8.01 includes forward-looking statements that involve risks and uncertainties. In connection therewith, see the discussion below under the caption “Forward-looking and cautionary statements,” which is incorporated under this Item 8.01 by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are furnished or filed as part of this report:

Exhibit No.	Description
99.1*	<u>Press Release dated April 2, 2020 - "Nelnet Issues Statement Regarding Department of Education NextGen Enhanced Processing Solution Proposal."</u>
104**	Cover Page Interactive Data File (formatted as Inline XBRL and included as Exhibit 101).

* Furnished herewith

** Filed herewith

Forward-looking and cautionary statements

This report contains forward-looking statements that involve risks and uncertainties. The words “anticipate,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “will,” “would,” and similar expressions, as well as statements in future tense, are intended to identify forward-looking statements. These statements are based on management’s current expectations as of the date of this report and are subject to known and unknown risks and uncertainties that may cause actual results or performance to differ materially from those expressed or implied by the forward-looking statements. Such risks include, but are not limited to: the pending and uncertain nature of the reported government contract procurement process, including the possibility that awards may be challenged by various interested parties and may not be finalized within the currently anticipated time frame or at all; the uncertain timing and nature of the outcome of the Company’s intended protest of the reported decision by the government as to the Company’s proposal for the EPS component; risks to the Company related to the Department’s initiatives to procure other new contracts for federal student loan servicing, including the risk that the Company or Company teams may not be successful in obtaining any of such other contracts; risks and uncertainties from changes in the credit and services marketplace resulting from changes in applicable laws, regulations, government programs, budgets and annual appropriations, and other factors; cybersecurity risks, including potential disruptions to systems, disclosure of confidential information, and/or damage to reputation resulting from cyber-breaches; risks from changes in economic conditions and consumer behavior due to, among other things, the emergence of widespread health emergencies or pandemics; and other risks and uncertainties set forth in the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2019. All forward-looking statements contained in this report are qualified by these cautionary statements and are made only as of the date of this report. Although the Company may from time to time voluntarily update or revise its prior forward-looking statements to reflect actual results or changes in the Company’s expectations, the Company disclaims any commitment to do so except as required by securities laws.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 2, 2020

NELNET, INC.

By: /s/ JAMES D. KRUGER

Name: James D. Kruger
Title: Chief Financial Officer

Nelnet Issues Statement Regarding Department of Education NextGen Enhanced Processing Solution Proposal

Lincoln, NEB., April 2, 2020 – Nelnet (NYSE: NNI) announced today that the U.S. Department of Education, Office of Federal Student Aid (Department) has notified the company that the company's proposal in response to the Enhanced Processing Solution (EPS) component of the Department's Next Generation Financial Servicing Environment (NextGen) contract procurement process has been determined to be outside of the competitive range and will receive no further consideration for an award. EPS is the technology system and certain processing functions the Department plans to use under NextGen to service the Department's 43 million student loan customers. Nelnet has requested a debriefing by the Department and the company intends to file a protest challenging the decision.

The Department's NextGen contract procurement process is comprised of solicitations, including EPS and Business Process Operations (BPO), which will make up a new framework for the servicing of all of the student loans owned by the Department. BPO is the back office and call center operational functions for servicing the Department's student loan customers. The company also responded to the BPO component, for which the Department has not yet made an award, and the company cannot predict the timing, nature, or outcome of the BPO component.

"We profoundly disagree with and are very disappointed by the Department's determination that our technical solution for EPS was outside of the competitive range and we intend to protest this decision," said Jeff Noordhoek, chief executive officer of Nelnet. "We are confident we are uniquely qualified to help the Department fulfill its NextGen vision with the experience and best features from two of the best student loan systems for the Department over the last ten years. Most recently, our technical capability was demonstrated when we transitioned over 6,000 associates from offices to work from home in less than seven days. This allowed us to exceed the goals established by the Department in servicing the Federal Direct Loan Program."

Nelnet Servicing, LLC (Nelnet Servicing) and Great Lakes Educational Loan Services, Inc. (Great Lakes) were awarded student loan servicing contracts by the Department in June 2009 to provide servicing for loans owned by the Department. As of December 31, 2019, Nelnet Servicing was servicing \$183.8 billion of student loans for 5.6 million borrowers under its contract, and Great Lakes was servicing \$240.0 billion of student loans for 7.4 million borrowers under its contract. These servicing contracts expire on December 14, 2020 with two potential six-month extensions at the Department's discretion through December 14, 2021. If the Department's decision stands, Nelnet Servicing and Great Lakes will eventually be required to migrate these portfolios onto another provider's system after an award is made and the company would ultimately need to restructure the company's loan servicing segment for long-term success. If the company is awarded a BPO contract for operational services, it would mitigate the impact of not being awarded the EPS component.

Nelnet will continue to be a leader in servicing Federal Family Education Loan (FFEL) Program, private education, and consumer loans for clients, and responded to the BPO component with a proposal to provide operational services for the Department's government-owned portfolio. As of December 31, 2019, the company was servicing \$49.2 billion in FFEL Program, private education, and consumer loans for 2.2 million borrowers. Nelnet's private education and consumer loan portfolio has increased by over 180,000 borrowers, or 36%, in the last two years and continues to have opportunities for growth with FinTech lenders.

"To be a leader in the student loan industry for more than 40 years, a company needs grit and diversified businesses," added Noordhoek. "Fortunately, we have both. This development is a tough one, but as we evaluate our protest options, we look forward to re-entering the competition for the EPS contract, growing our core business, servicing, payments, and telecommunications, with vigor and success focused on serving our customers with a great experience and having a great team."

Forward-Looking and Cautionary Statements

This press release contains forward-looking statements within the meaning of federal securities laws. The words "anticipate," "could," "estimate," "expect," "intend," "may," "plan," "potential," "will," "would," and similar expressions, as well as statements in future tense, are intended to identify forward-looking statements. These statements are based on management's current expectations as of the date of this release and are subject to known and unknown risks and uncertainties that may cause actual results or performance to differ materially from those expressed or implied by the forward-looking statements. Such risks include, but are not limited to: the pending and uncertain nature of the reported government contract procurement process, including the possibility that awards may be challenged by various interested parties and may not be finalized within the currently anticipated time frame or at all; the uncertain timing and nature of the outcome of the company's intended protest of the reported decision by the government as to the company's proposal for the EPS component; risks to the company related to the Department's initiatives to procure other new contracts for federal student loan servicing, including the risk that the company or company teams may not be successful in obtaining any of such other contracts; risks and uncertainties from

changes in the credit and services marketplace resulting from changes in applicable laws, regulations, government programs, budgets and annual appropriations, and other factors; cybersecurity risks, including potential disruptions to systems, disclosure of confidential information, and/or damage to reputation resulting from cyber-breaches; and risks from changes in economic conditions and consumer behavior due to, among other things, the emergence of widespread health emergencies or pandemics. For more information, see the "Risk Factors" sections and other cautionary discussions of risks and uncertainties included in documents filed or furnished by the company with the Securities and Exchange Commission. All forward-looking statements in this release are as of the date of this release. Although the company may voluntarily update or revise its forward-looking statements from time to time to reflect actual results or changes in the company's expectations, the company disclaims any commitment to do so except as required by securities laws.