

# FORM 4

[ ] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL  
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### STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public  
Utility Holding Company Act of 1935 or Section 30(f) of the  
Investment Company Act of 1940

<b>1. Name and Address of Reporting Person *</b>  <b>DUNLAP MICHAEL S</b> <small>(Last) (First) (Middle)</small>  <b>121 SOUTH 13TH STREET, SUITE 201</b> <small>(Street)</small>  <b>LINCOLN, NE 68508</b> <small>(City) (State) (Zip)</small>	<b>2. Issuer Name and Ticker or Trading Symbol</b>  <b>NELNET INC [ NNI ]</b>  <b>3. Date of Earliest Transaction (MM/DD/YYYY)</b>  <p style="text-align: center;"><b>9/25/2006</b></p>	<b>5. Relationship of Reporting Person(s) to Issuer (Check all applicable)</b>  <input checked="" type="checkbox"/> Director <span style="float: right;"><input checked="" type="checkbox"/> 10% Owner</span> <input checked="" type="checkbox"/> Officer (give title below) <span style="float: right;"><input type="checkbox"/> Other (specify below)</span> <b>Chairman, Co-CEO</b>
<b>4. If Amendment, Date Original Filed (MM/DD/YYYY)</b>		<b>6. Individual or Joint/Group Filing (Check Applicable Line)</b>  <input type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

#### Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Class A Common Stock	9/25/2006		P (1)		400000	A	\$30.53	404500 (2) (3)	I	Farmers & Merchants Investment Inc. (4)

#### Table II - Derivative Securities Beneficially Owned ( e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				

#### Explanation of Responses:

- (1) Farmers & Merchants Investment Inc. purchased the shares in a private transaction from Stephen F. Butterfield, who is an executive officer, member of the board of directors and more than 10% owner of the issuer, and thus is a Section 16 reporting person with respect to the issuer. The shares sold by Mr. Butterfield were shares of the issuer's Class B Common Stock, but pursuant to provisions of the issuer's Articles of Incorporation were automatically converted into shares of the issuer's Class A Common Stock upon the transfer to Farmers & Merchants Investment Inc.
- (2) The reporting person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest in the holder thereof, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.
- (3) See attached Exhibit 99.1 for footnote explanation of response.
- (4) The reporting person is a director and president of Farmers & Merchants Investment Inc. and owns or controls 38.4% of its outstanding voting stock.

#### Reporting Owners

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Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DUNLAP MICHAEL S 121 SOUTH 13TH STREET SUITE 201 LINCOLN, NE 68508	X	X	Chairman, Co-CEO	

**Signatures**

/s/ William J. Munn, Attorney-in-Fact for Michael S. Dunlap

9/26/2006

\*\* Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

EXHIBIT 99.1

Explanation of Response:

(3) The reporting person is also the direct beneficial owner of 4,593,004 shares of Class B Common Stock, which reflects distributions and other transfers to the reporting person from the Michael S. Dunlap GRAT of a total of 130,991 shares of Class B Common Stock, and deemed to be the indirect beneficial owner of 11,068,604 shares of Class A Common Stock held by Packers Service Group, Inc.; 1,586,691 shares of Class B Common Stock held by Union Financial Services, Inc.; 1,701,000 shares of Class B Common Stock held by the reporting person's spouse; and 1,269,009 shares of Class B Common Stock held by the Michael S. Dunlap GRAT, which number of shares held by the GRAT reflects distributions and other transfers by the GRAT of a total of 130,991 shares of Class B Common Stock to the reporting person. The reporting person disclaims beneficial ownership of the shares held by Packers Service Group, Inc., Union Financial Services, Inc. and Farmers & Merchants Investment Inc. except to the extent of his pecuniary interest in the holder thereof, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.