

NELNET INC

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 8/7/2007 For Period Ending 8/3/2007

Address	121 SOUTH 13TH ST STE 201 LINCOLN, Nebraska 68508
Telephone	402-458-2370
CIK	0001258602
Industry	Consumer Financial Services
Sector	Financial
Fiscal Year	12/31

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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
OMB Number: 3235-0287
Expires: January 31, 2008
Estimated average burden hours per response... 0.5

**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

1. Name and Address of Reporting Person * WATSON CHERYL E <small>(Last) (First) (Middle)</small> 121 SOUTH 13TH STREET, SUITE 201 <small>(Street)</small> LINCOLN, NE 68508 <small>(City) (State) (Zip)</small>	2. Issuer Name and Ticker or Trading Symbol NELNET INC [NNI] 3. Date of Earliest Transaction (MM/DD/YYYY) <p align="center">8/3/2007</p>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Chief Communications Officer 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
4. If Amendment, Date Original Filed (MM/DD/YYYY)		

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	8/3/2007		A		241	(1)	A	\$0	84766	(3)	D (3)
Class A Common Stock	8/3/2007		A		61	(2)	A	\$0	84827	(3)	D (3)

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) These shares were issued pursuant to the Issuer's Restricted Stock Plan as a bonus that the reporting person elected to receive in shares of stock, which shares the reporting person became entitled to receive on August 3, 2007. The shares were fully vested as of August 3, 2007.
- (2) These shares were issued pursuant to the Issuer's Restricted Stock Plan as additional shares resulting from the reporting person's election to receive the bonus in shares of Class A Common Stock described in footnote (1). The reporting person became entitled to receive these shares on August 3, 2007, and these shares vest over a three-year period, with 20 shares vesting on August 3, 2008, 20 shares vesting on August 3, 2009, and 21 shares vesting on August 3, 2010.
- (3) Includes 3,081 shares of Class A Common Stock issued pursuant to the Issuer's Employee Share Purchase Plan through the date of this filing. The reporting person also indirectly owns 208 shares of Class A Common Stock that the reporting person has acquired under the Issuer's 401(k) plan matching stock program through the date of this filing.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

WATSON CHERYL E
121 SOUTH 13TH STREET
SUITE 201
LINCOLN, NE 68508

Chief Communications Officer

Signatures

William J. Munn, Attorney-in-Fact for Cheryl E. Watson

8/6/2007

** 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.

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