

Return of Organization Exempt From Income Tax

2001

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2001 calendar year, or tax year beginning 2001, and ending

B Check if applicable: X Address change. C Name of organization: NELLIE MAE EDUCATION FOUNDATION, INC. D Employer identification number: 04-2755323. E Telephone number: (781) 348-4200. F Accounting method: X Accrual.

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes" enter number of affiliates N/A

H(c) Are all affiliates included? N/A Yes No

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Enter 4-digit GEN N/A

M Check X if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

G Web site WWW NMEFDN ORG

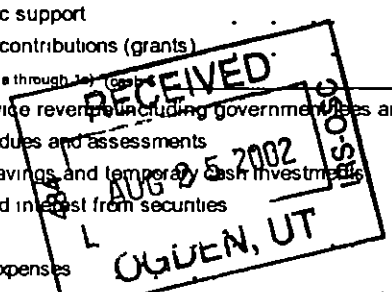
J Organization type (check only one) X 501(c) (3) (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 159,040,089

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16)

Table with 21 rows and 3 columns: Description, Amount, and Total. Includes Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21). Total revenue: 16,504,521. Total expenses: 20,869,302. Net assets at end of year: 394,327,411.



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Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See Specific Instructions on page 21)

Table with 5 columns: (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include 22 Grants and allocations, 23 Specific assistance, 24 Benefits paid, 25 Compensation of officers, 26 Other salaries and wages, 27 Pension plan contributions, 28 Other employee benefits, 29 Payroll taxes, 30 Professional fundraising fees, 31 Accounting fees, 32 Legal fees, 33 Supplies, 34 Telephone/Technology, 35 Postage and shipping, 36 Occupancy, 37 Equipment rental and maintenance, 38 Printing and publications, 39 Travel, 40 Conferences, conventions, and meetings, 41 Interest, 42 Depreciation depletion etc, 43 Other expenses not covered above, 44 Total functional expenses.

Joint Costs. Check [] if you are following SOP 98-2. Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? [] Yes [X] No. If "Yes," enter (i) the aggregate amount of these joint costs \$, (ii) the amount allocated to Program services \$, (iii) the amount allocated to Management and general \$, and (iv) the amount allocated to Fundraising \$.

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 24.)

What is the organization's primary exempt purpose? STMT 3. All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others). Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts, but optional for others).

f Total of Program Service Expenses (should equal line 44, column (B), Program services) 18,650,775

Part IV Balance Sheets (See Specific Instructions on page 24)

Note		(A)		(B)	
Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		Beginning of year		End of year	
45	Cash - non-interest-bearing	10,255,701	45	12,378,393	
46	Savings and temporary cash investments		46		
47a	Accounts receivable	47a 162,847,625.			
b	Less allowance for doubtful accounts	47b 2,332,237	201,330,516	47c	160,515,388
48a	Pledges receivable	48a			
b	Less allowance for doubtful accounts	48b		48c	
49	Grants receivable			49	
50	Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
51a	Other notes and loans receivable (attach schedule)	STMT 5 51a 2,941,926.			
b	Less allowance for doubtful accounts	51b	4,467,809	51c	2,941,926
52	Inventories for sale or use			52	
53	Prepaid expenses and deferred charges			53	
54	Investments - securities (attach schedule)	STMT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	326,801,254	54	307,535,594
55a	Investments - land, buildings, and equipment basis	55a			
b	Less accumulated depreciation (attach schedule)	55b		55c	
56	Investments - other (attach schedule)			56	
57a	Land, buildings, and equipment basis	STMT 1C 57a 291,697.			
b	Less accumulated depreciation (attach schedule)	57b 116,476.	191,609	57c	175,221
58	Other assets (describe <u>PRINCIPALLY AMORTIZABLE STMT 7</u>)		1,268,587	58	801,977
59	Total assets (add lines 45 through 58) (must equal line 74)		544,315,476	59	484,348,499
60	Accounts payable and accrued expenses		2,839,843	60	1,448,989
61	Grants payable		3,166,267	61	4,480,950
62	Deferred revenue			62	
63	Loans from officers, directors, trustees, and key employees (attach schedule)			63	
64a	Tax-exempt bond liabilities (attach schedule)			64a	
b	Mortgages and other notes payable (attach schedule)	STMT 8	133,532,000	64b	84,017,000
65	Other liabilities (describe <u>INTEREST PAYABLE</u>)		466,002.	65	74,149
66	Total liabilities (add lines 60 through 65)		140,004,112	66	90,021,088
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
67	Unrestricted		404,311,364	67	394,327,411
68	Temporarily restricted			68	
69	Permanently restricted			69	
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
70	Capital stock, trust principal, or current funds			70	
71	Paid-in or capital surplus, or land, building, and equipment fund			71	
72	Retained earnings, endowment, accumulated income, or other funds			72	
73	Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72. column (A) must equal line 19, and column (B) must equal line 21)		404,311,364	73	394,327,411
74	Total liabilities and net assets / fund balances (add lines 66 and 73)		544,315,476.	74	484,348,499

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 26)

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total revenue, gains, and other support per audited financial statements	a	10,189,033
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments		\$ -5,619,172.
(2)	Donated services and use of facilities		\$
(3)	Recoveries of prior year grants		\$
(4)	Other (specify)		
	STMT 9		\$ -696,316.
	Add amounts on lines (1) through (4)	b	-6,315,488.
c	Line a minus line b	c	16,504,521
d	Amounts included on line 12, Form 990 but not on line a.		
(1)	Investment expenses not included on line 6b, Form 990		\$
(2)	Other (specify)		\$
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	16,504,521

a	Total expenses and losses per audited financial statements	a	20,172,986
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities		\$
(2)	Prior year adjustments reported on line 20, Form 990		\$
(3)	Losses reported on line 20, Form 990		\$
(4)	Other (specify)		
	STMT 10		\$ -696,316.
	Add amounts on lines (1) through (4)	b	-696,316
c	Line a minus line b	c	20,869,302
d	Amounts included on line 17, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990		\$
(2)	Other (specify)		\$
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	20,869,302.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see Specific Instructions on page 26)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
SEE STATEMENT 10A		873,479	88,249	NONE

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule - see Specific Instructions on page 27

Part VI Other Information (See Specific Instructions on page 27)

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? b If "Yes," has it filed a tax return on Form 990-T for this year?	78a	X
78b	N/A	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? b If "Yes," enter the name of the organization NMI EDUCATION LOAN CORPORATION and check whether it is <input checked="" type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt	80a	X
81a Enter direct or indirect political expenditure See line 81 instructions	81a	NONE
b Did the organization file Form 1120-POL for this year?	81b	X
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? b If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part II)	82a	X
82b	N/A	
83a Did the organization comply with the public inspection requirements for returns and exemption applications? b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83a	X
83b	X	
84a Did the organization solicit any contributions or gifts that were not tax deductible? b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84a	N/A
84b	N/A	
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85a	N/A
85b	N/A	
c Dues, assessments, and similar amounts from members	85c	N/A
d Section 162(e) lobbying and political expenditures	85d	N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86 501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12 b Gross receipts, included on line 12, for public use of club facilities	86a	N/A
86b	N/A	
87 501(c)(12) orgs Enter a Gross income from members or shareholders b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87a	N/A
87b	N/A	
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes" complete Part IX	88	X
89a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 NONE , section 4912 NONE , section 4955 NONE		
b 501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		NONE
d Enter Amount of tax on line 89c, above, reimbursed by the organization		NONE
90a List the states with which a copy of this return is filed MASSACHUSETTS		
b Number of employees employed in the pay period that includes March 12, 2001 (See instructions)	90b	18
91 The books are in care of MICHAEL FLANNERY Telephone no 781-348-4297 Located at 1250 HANCOCK STREET, QUINCY, MA ZIP + 4 02169		
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a <u>STUDENT LOAN INCOME</u>					17,568,491.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments . .					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities .			14	10,085,073	
97 Net rental income or (loss) from real estate					
a debt-financed property .					
b not debt-financed property . .					
98 Net rental income or (loss) from personal property .					
99 Other investment income .					
100 Gain or (loss) from sales of assets other than inventory			18	-11,149,043.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				-1,063,970.	17,568,491.
105 Total (add line 104, columns (B), (D), and (E))					16,504,521.

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 32)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	STUDENT LOAN PORTFOLIO INCOME

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			


Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return including accompanying schedules and statements and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign



1 AUG 16, 2002

Date

EXECUTIVE VICE PRESIDENT

Date 8/11/02 Check if self- Preparer's U.S. TIN (Gen Invt W)

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2001

Supplementary Information - (See separate instructions)

Department of the Treasury
Internal Revenue Service

▶ **MUST** be completed by the above organizations and attached to their Form 990 or 990-EZ

Name of the organization

Employer identification number

NELLIE MAE EDUCATION FOUNDATION, INC

04-2755323

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
MICHAEL J FLANNERY C/O NELLIE MAE EDU FDN, INC 1250 HANCOCK ST, QUINCY, MA	CONTROLLER 40	119,359	36,213	NONE
CAROL M BARKER C/O NELLIE MAE EDU FDN, INC 1250 HANCOCK ST, QUINCY, MA	V P - PROGRAMS 40	112,698	449	NONE
SYLVIA SALAS C/O NELLIE MAE EDU FDN, INC 1250 HANCOCK ST, QUINCY, MA	SR PROGRAM OFFICER 40	82,229	25,608	NONE
LYNN D'AMBROSE C/O NELLIE MAE EDU FDN, INC 1250 HANCOCK ST., QUINCY, MA	PROGRAM OFFICER 40	81,341	17,027	NONE
RENO JAMES C/O NELLIE MAE EDU FDN, INC 1250 HANCOCK ST., QUINCY, MA	PROGRAM OFFICER 40	76,933	20,215	NONE
Total number of other employees paid over \$50,000	▶ 6			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
FOUNDATION STRATEGY GROUP 20 PARK PLAZA, STE 1127, BOSTON MA 02116	CONSULTING	345,000
PRICEWATERHOUSECOOPERS LLP 3109 W DR ML KING JR BLVD, TAMPA, FL 33607	AUDITORS	89,615
JOHN ISAACSON, INC. 334 BOYLSTON ST, STE 500 BOSTON MA 02116	PERSONAL CONSULTING	75,586
PRIME, BUCHHOLZ & ASSOCIATES, INC 40 PLEASANT ST, PORTSMOUTH NH 03801	INVSTMNT CONSULTING	70,484
Total number of others receiving over \$50,000 for professional services	▶ NONE	

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2001

Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year, has the organization attempted to influence national state or local legislation, including any attempt to influence public opinion on legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>NONE</u> (Must equal amount on line 38, Part VI-A, or line 1 or Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes" attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <u>SEE FORM 990, PART V</u>	X	
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)	X	
4 Do you have a section 403(b) annuity plan for your employees?		X
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments. <u>Smt 11</u>		

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5) or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting

Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Table with columns: Calendar year (or fiscal year beginning in), (a) 2000, (b) 1999, (c) 1998, (d) 1997, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

Part V Private School Questionnaire (See page 7 of the instructions)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement) ----- ----- -----		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement) ----- ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group
 Check **b** if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	NONE	NONE
37	Total lobbying expenditures to influence a legislative body (direct lobbying)		
38	Total lobbying expenditures (add lines 36 and 37)	NONE	NONE
39	Other exempt purpose expenditures		
40	Total exempt purpose expenditures (add lines 38 and 39)	NONE	NONE
41	Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	NONE	NONE
42	Grassroots nontaxable amount (enter 25% of line 41)	NONE	NONE
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	NONE	NONE
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	NONE	NONE

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period					
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total	
45	Lobbying nontaxable amount	NONE	NONE	NONE	1,000,000	1,000,000
46	Lobbying ceiling amount (150% of line 45(e))					1,500,000
47	Total lobbying expenditures	NONE	NONE	NONE	126,492	126,492
48	Grassroots nontaxable amount	NONE	NONE	NONE	250,000	250,000
49	Grassroots ceiling amount (150% of line 48(e))					375,000
50	Grassroots lobbying expenditures	NONE	NONE	NONE	NONE	NONE

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

	Yes	No	Amount
a Volunteers			N/A
b Paid staff or management (Include compensation in expenses reported on lines d through h)			N/A
c Media advertisements			N/A
d Mailings to members, legislators, or the public			N/A
e Publications, or published or broadcast statements			N/A
f Grants to other organizations for lobbying purposes			N/A
g Direct contact with legislators, their staffs, government officials, or a legislative body			N/A
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			N/A
i Total lobbying expenditures (add lines c through h)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

- a Transfers from the reporting organization to a noncharitable exempt organization of
 - (i) Cash
 - (ii) Other assets
- b Other transactions
 - (i) Sales or exchanges of assets with a noncharitable exempt organization
 - (ii) Purchases of assets from a noncharitable exempt organization
 - (iii) Rental of facilities, equipment, or other assets
 - (iv) Reimbursement arrangements
 - (v) Loans or loan guarantees
 - (vi) Performance of services or membership or fundraising solicitations
- c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ Yes No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES

DESCRIPTION	AMOUNT
UNREALIZED LOSS ON INVESTMENTS	5,619,172.
TOTAL	5,619,172.

Nellie Mae Education Foundation, Inc.
FYE: 12/31/2001
EIN: 04-2755323

Form 990, Part 1, Line 8a, 8b & 8c

<u>Portfolio Name</u>	<u>Line 8a Proceeds</u>	<u>Line 8b Cost</u>	<u>line 8c Net Gain/(loss)</u>
Fleet Short Term Operating Account	432,143	432,882	(739)
State Street Global Advisors			
Russell 1000	91,758,319	100,575,603	(8,817,284)
S&P Mid Cap	10,994	11,162	(168)
SSGA Intermediate Bonds	104,278	99,819	4,459
Artisan Partners	29,804,294	31,543,366	(1,739,072)
Loomis Sayles	<u>9,276,497</u>	<u>9,872,736</u>	<u>(596,239)</u>
Totals	131,386,525	142,535,568	(11,149,043)
Net Loss			<u>(11,149,043)</u>

Nellie Mae Education Foundation, Inc.
 FYE 12/31/01
 EIN. 04-2755323

Form 990, Part II, Line 22 - Grants and Allocations

Out-Of-School Time Initiative Grants

<u>Organization</u>		<u>Amount</u>	<u>Sub-Totals</u>
ASPIRA of Connecticut	Bridgeport, CT	\$36,000 00	
Associated Grant Makers	Boston, MA	\$150,000 00	
Fredenck Douglass Charter School	Hyde Park, MA	\$56,900 00	
Frends of the King Open School	Cambridge, MA	\$25,000 00	
Hopkins School	New Haven, CT	\$30,000 00	
Leadership, Education, Athletics in Partnership	New Haven, CT	\$100,000 00	
Media & Tech Charter School	Brookline, MA	\$66,090 00	
Providence Summerbridge	Providence, RI	\$40,000 00	
Roxbury Prep Charter School	Roxbury, MA	\$75,000 00	
SquashBusters, Inc	Boston, MA	\$75,000 00	
Summerbridge Cambrdge	Cambridge, MA	\$40,000 00	
Texton Chamber of Commerce	Providence, RI	\$40,000 00	
The B E L L Foundation	Dorchester, MA	\$100,000 00	
The Rhode Island Foundation	Providence, RI	\$45,000 00	
United Way of Massachusetts Bay	Boston, MA	\$112,000 00	
University of Rhode Island	Kingston, RI	\$45,682 00	
Winman Jr High (Refund)	Warwick, RI	(\$1,400 00)	
			\$1,035,272 00

Adult Literacy "LifeLine" Initiative Grants

<u>Organization</u>		<u>Amount</u>
A Different September	Boston, MA	\$55,000 00
Action for Boston Comm	Boston, MA	\$46,694 00
Bellast Adult & Community Educ	Belfast, ME	\$31,774 00
Cape Cod Community College Educ Fdn	West Barnstable, MA	\$50,489 00
Canbou School Department	Canbou, ME	\$32,550 00
Community Education Project	East Boston, MA	\$38,000 00
Community Learning Center	Cambridge, MA	\$30,000 00
Connecticut Dept of Corrections	Wethersfield, CT	\$27,900 00
Dorcas Place Parent Literacy Center	Providence, RI	\$260,000 00
Immigrant Learning Center	Malden, MA	\$138,000 00
Jobs for the Future	Boston, MA	\$9,000 00
Lewiston Adult Education	Lewiston, ME	\$43,626 00
Maine Humanities Council	Portland, ME	\$90,925 00
MidCoast Community Education	Rockland, ME	\$35,000 00
Mother Caroline Academy	Dorchester, MA	\$25,000 00
MSAD 35	South Berwick, ME	\$28,740 00
Nashua Adult Learning Center	Nashua, NH	\$32,249 00
New Haven Adult Education	New Haven, CT	\$43,246 00

Nellie Mae Education Foundation, Inc.
 FYE. 12/31/01
 EIN: 04-2755323

Form 990, Part II, Line 22 - Grants and Allocations

Adult Literacy "LifeLine" Initiative Grants (Cont.)

		<u>Amount</u>	<u>Sub-Totals</u>
Norfolk County Sheriff's Department	Dedham, MA	\$29,698 00	
Northern Essex Community College	Haverhill, MA	\$39,400 00	
Odwin Learning Center	Dorchester, MA	\$45,000 00	
Providence Public Library	Providence, RI	\$50,000 00	
Regional Adult Learning	Woonsockett, RI	\$41,143 00	
ROCA, Inc	Chelsea, MA	\$61,000 00	
South Berkshire Educ Co	Great Barrington, MA	\$85,420 00	
Summer Adult Education	East Sullivan, ME	\$46,758 00	
The Tutoral Center	Burlington, VT	\$36,257 00	
Vernon Regional Adult Education	Vernon, CT	\$28,444 00	
W A I T T House, Inc	Roxbury, MA	\$42,000 00	
X-Cel, Inc	Jamaica Plain, MA	\$21,500 00	
			\$1,544,813 00

Minority High Achievement Initiative Grants

Organization

Boston Learning Center	Boston, MA	\$25,000 00	
Neighborhood House Charter School	Dorchester, MA	\$50,000 00	
Northeastern University	Boston, MA	\$52,000 00	
The Bottom Line	Jamaica Plain, MA	\$75,000 00	
The Steppingstone Foundation	Boston, MA	\$50,000 00	
Trinity College	Hartford, CT	\$176,270 00	
University of Massachusetts - Amherst	Amherst, MA	\$186,362 00	
University of Massachusetts - Boston	Boston, MA	\$160,000 00	
Yale University	New Haven, CT	\$11,915 00	
			\$786,547 00

College Preparation Initiative Grants

Organization

Assumption College	Worcester, MA	\$10,000 00	
Boston Urban Youth Foundation	Boston, MA	\$50,000 00	
Bridgeport Public Education	Bndgeport, CT	\$35,000 00	
Cambridge Community Service	Cambridge, MA	\$30,000 00	
Capital Community Technical College	Hartford, CT	\$23,405 00	
Clark University	Worcester, MA	\$85,000 00	
Commonwealth Corporation	Boston, MA	\$90,000 00	
Dorchester House Multi-Service	Dorchester, MA	\$50,000 00	
Dynamy, Inc	Worcester, MA	\$85,280 00	
Elms College	Chicopee, MA	\$60,000 00	

Nellie Mae Education Foundation, Inc.
 FYE: 12/31/01
 EIN: 04-2755323

Form 990, Part II, Line 22 - Grants and Allocations

College Preparation Initiative Grants (Cont.)		<u>Amount</u>	<u>Sub-Totals</u>
Emmanuel Gospel Center	Boston, MA	\$443,400 00	
Finance Authority of Maine	Augusta, ME	\$10,000 00	
Foundation for Excellent Schools	Corwall, VT	\$50,000 00	
Hartford Consortium for Higher Education	West Hartford, CT	\$25,000 00	
Hispanic Office of Planning and Evaluation	Lawrence, MA	\$2,500 00	
Hyde Square Task Force	Jamaica Plain, MA	\$63,000 00	
Keene State College	Keene, NH	\$88,000 00	
Linking Learning to Life	Burlington, VT	\$93,276 00	
Maine Migrant Family Resource	Danforth, ME	\$59,775 00	
Mt Monah Baptist Church	Brockton, MA	\$10,000 00	
Mt Wachusett Community College	Gardner, MA	\$10,000 00	
My Turn, Inc	Brockton, MA	\$60,227 00	
Network for Young Achievers (Refund)	Trumbull, CT	(\$13,876 74)	
Roger Williams University	Bristol, RI	\$57,500 00	
Spectrum Youth & Family Services	Burlington, VT	\$144,095 00	
The Care Center	Holyoke, MA	\$175,000 00	
United Methodist Urban Services	Boston, MA	\$175,000 00	
University of Maine - Upward Bound	Orono, ME	\$18,000 00	
University of Massachusetts	Amherst, MA	\$200,000 00	
Vermont Student Assistance Corp	Winooski, VT	\$170,719 00	
Vermont Student Assistance Corp	Winooski, VT	\$10,000 00	
			\$2,370,300.26

Other Initiative Grants

Organization

Bell School Reform Network	Leesburg, VA	\$50,000 00	
Harvard Family Research (Refund)	Cambridge, MA	(\$736 51)	
			\$49,263 49

DISCRETIONARY GRANTS

Organization

AAHE	Washington, DC	\$5,000 00	
Achieve, Inc	Cambridge, MA	\$25,000 00	
AGM	Boston, MA	\$500 00	
American Council	Washington, DC	\$25,000 00	
Brandeis University	Waltham, MA	\$24,000 00	
Community Servings	Roxbury, MA	\$1,000 00	
Corp for Business	Boston, MA	\$15,000 00	
Emmanuel Gospel Center	Boston, MA	\$9,198 00	
Harvard University	Cambridge, MA	\$10,000 00	
Independent Sector	Washington, DC	\$2,500 00	
Institute for Responsive Education	Boston, MA	\$75,000 00	
John F Kennedy Library	Boston, MA	\$7,500 00	
Keene State College	Keene, NH	\$5,000 00	
Lewiston Adult Education	Lewiston, ME	\$3,266 00	

Nellie Mae Education Foundation, Inc.
 FYE: 12/31/01
 EIN: 04-2755323

Form 990, Part II, Line 22 - Grants and Allocations

DISCRETIONARY GRANTS (Cont.)

		<u>Amount</u>	<u>Sub-Totals</u>
Lynch School of Education	Chestnut Hill, MA	\$40,000 00	
Maine Assoc of Nonprofits	Portland, ME	\$5,000 00	
Maine Assoc of Nonprofits	Portland, ME	\$5,000 00	
Maine Development Foundation	Augusta, ME	\$45,050 00	
Maine Education Opportunity	Orono, ME	\$1,000 00	
Mass Insight Education	Boston, MA	\$250 00	
MassINC	Boston, MA	\$200,000 00	
Match School	Boston, MA	\$500 00	
Mather School	Boston, MA	\$51,000 00	
Mauncio Gaston	Boston, MA	\$3,000 00	
Moakley Foundation	Boston, MA	\$500 00	
My Turn, Inc	Brockton, MA	\$10,000 00	
N E Educational Opportunity (NEOA)	Boston, MA	\$8,000 00	
N E Educational Opportunity (NEOA)	Boston, MA	\$4,000 00	
New Hampshire Community Technical	Concord, NH	\$30,000 00	
The Big Picture	Providence, RI	\$50,000 00	
The Care Center	Holyoke, MA	\$500 00	
The College Board	New York, NY	\$10,000 00	
The Patriot Ledger - News in Education	Quincy, MA	\$500 00	
WGBH	Boston, MA	\$100,000 00	
Worcester State College	Worcester, MA	\$2,500 00	
Youth Tech Entrepreneurs	Malden, MA	\$500 00	
		/	\$775,264 00

RESEARCH PROJECTS

Organization

Jobs for the Future	Boston, MA	\$21,500 00	
Harney, John	Reading, MA	\$2,500 00	
Institute for Higher Education Policy	Washington, DC	\$54,491 51	
Senator George Mitchell Scholarship	Portland, ME	\$148,000 00	
University of Massachusetts - Amherst	Amherst, MA	\$152,963 43	
			\$379,454.94

RESEARCH & EVALUATION

Organization

Beattie, Helen, Ed D	East Hardwick, VT	\$502 52	
Brckman, Alan	Jamaica Plain, MA	\$9,420 00	
Brigham Nahas Research	Cambridge, MA	\$16,300 00	
Boornazian, Dr Sharyn	Reading, MA	\$1,717 52	
			\$27,940 04

Nellie Mae Education Foundation, Inc.
 FYE: 12/31/01
 EIN: 04-2755323

Form 990, Part II, Line 22 - Grants and Allocations

MEMBERSHIPS AND REGIONAL ASSOCIATION GRANTS

<u>Organization</u>		<u>Amount</u>	<u>Sub-Totals</u>
AAHE	Washington, DC	\$125 00	
AAPIP	San Francisco, CA	\$100 00	
AGM	Boston, MA	\$15,000 00	
ASPIRA of Connecticut	Bndgeport, CT	\$100 00	
Boston Adult Literacy Fund	Boston, MA	\$2,500 00	
Boston Jaycees	Boston, MA	\$300 00	
Boston Partners	Boston, MA	\$1,000 00	
Boston Women's Fund	Boston, MA	\$3,500 00	
Boys & Girls Clubs	Boston, MA	\$1,000 00	
Boys & Girls Clubs	Boston, MA	\$500 00	
Colonel Daniel Marr Boys & Girls Clubs	Dorchester, MA	\$1,200 00	
Concerned Black Men of Massachusetts	Roxbury, MA	\$1,000 00	
Connecticut Council for Philanthropy	Hartford, CT	\$1,800 00	
Council on Foundations	Washington, DC	\$10,000 00	
Evening of Hope	Milton, MA	\$1,000 00	
Facing History	Brookline, MA	\$450 00	
Grantmakers for Education	Portland, OR	\$1,000 00	
Grantmakers for Education	Portland, OR	\$2,000 00	
Harvard University	Cambrdge, MA	\$25,000 00	
Hispanics in Philanthropy	Emeryville, CA	\$300 00	
Independent Sector	Washington, DC	\$8,750 00	
Independent Sector	Washington, DC	\$475 00	
Maine Philanthropy	Portland, ME	\$1,000 00	
Museum of Afro-American History	Boston, MA	\$5,000 00	
Patnot Trail Girl Scouts	Boston, MA	\$5,000 00	
Rockefeller Family Foundation	New York, NY	\$500 00	
Teen Voices	Boston, MA	\$250 00	
ULEM	Roxbury, MA	\$2,500 00	
United Way of Massachusetts Bay	Boston, MA	\$1,000 00	
Women & Philanthropy	Washington, DC	\$1,500 00	
YWCA Boston	Boston, MA	\$625 00	
			\$94,475.00

MATCHING GIFTS

Matching Gifts	\$145,661 96	\$145,661 96
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TECHNICAL ASSISTANCE GRANTS

Organization

Boston Video, Inc	Boston, MA	\$1,695 00
Miller, Beth M	Brookline, MA	\$10,271 79
Bangor Mental Health	Bangor, ME	\$200 00
Bunker Hill Community College	Chelsea, MA	\$200 00

Nellie Mae Education Foundation, Inc.
 FYE. 12/31/01
 EIN 04-2755323

Form 990, Part II, Line 22 - Grants and Allocations

TECHNICAL ASSISTANCE GRANTS (Cont.)

		<u>Amount</u>	<u>Sub-Totals</u>
Cape Cod Community College Educ Fdn	West Barnstable, MA	\$200 00	
EastConn	Danielson, CT	\$200 00	
Lyndon State College	Lyndonville, VT	\$200 00	
Machias Adult & Community Education	Machias, ME	\$200 00	
MSAD 36 - Jay Adult & Community Educ	Livermore Falls, ME	\$200 00	
New England Literacy Resource Center	Boston, MA	\$95,000 00	
Notre Dame Education Center	Lawrence, MA	\$200 00	
Old Orchard Beach	Old Orchard Beach, ME	\$200 00	
Portland Adult Education	Portland, ME	\$200 00	
Keene State College	Keene, NH	\$250 00	
Liang, Weiya	Dixfield, ME	\$250 00	
PlusTime NH	Chichester, NH	\$250 00	
PlusTime NH	Chichester, NH	\$250 00	
University of Maine - Farmington	Farmington, ME	\$250 00	
University of Maine - Upward Bound	Orono, ME	\$250 00	
Vermont Student Assistance Corp	Winooski, VT	\$250 00	
Foundation Strategy Group	Boston, MA	\$25,000 00	
Stockford, Marjorie	Portland, ME	\$3,025 00	
			\$138,741 79

NMEF ASSOCIATE DIRECTED GRANTS

Organization

Boys & Girls Club of Worcester	Worcester, MA	\$1,000 00	
Catholic Family Services	Hartford, CT	\$2,000 00	
CHisPA	Boston, MA	\$1,000 00	
Connecticut Voice for Children	New Haven, CT	\$2,000 00	
Girls Incorporated of Worcester	Worcester, MA	\$1,000 00	
Lewiston Multi-Purpose	Lewiston, ME	\$2,000 00	
Maine Center for Education	Auburn, ME	\$2,000 00	
New Hampshire Historical Society	Concord, NH	\$1,000 00	
New Leadership Charter School	West Springfield, MA	\$500 00	
Peterborough Historical Society	Peterborough, NH	\$1,000 00	
Progreso Latino	Central Falls, RI	\$1,000 00	
Providence Summerbridge	Providence, RI	\$1,000 00	
Rhode Island Special Olympics	Warwick, RI	\$250 00	
Rivier College	Nashua, NH	\$500 00	
School One	Providence, RI	\$500 00	
The Early Childhood Ctr of Greater Springfield	Springfield, MA	\$250 00	
University of NH Foundation	Durham, NH	\$1,500 00	
Urban Collaborative	Providence, RI	\$250 00	
Vermont Student Assistance Corp	Winooski, VT	\$2,000 00	
Women's Fund of Western Massachusetts	Northampton, MA	\$1,000 00	
Worcester State College-Latino Educ Institute	Worcester, MA	\$2,000 00	
			\$23,750 00

Nellie Mae Education Foundation, Inc.
 FYE: 12/31/01
 EIN: 04-2755323

Form 990, Part II, Line 22 - Grants and Allocations

INITIATIVE - ADMINISTERED GRANTS

<u>Organization</u>		<u>Amount</u>	<u>Sub-Totals</u>
Foundation Strategy Group	Boston, MA	\$321,224 03	
Inner City Software	Boston, MA	\$30,000 00	
Policy Studies Associates (PSA)	Washington, DC	\$45,250 77	
			\$396,474 80

INITIATIVE - ADMINISTERED CONVENING/CONFERENCE GRANTS

Initiative-Administered Convening/Conference Grants	\$35,980 97	
		\$35,980 97

MULTI-YEAR GRANTS

Out-of-School Time Multi-Year Grants

<u>Organization</u>			
Boston After School for All Partnership	Boston, MA	\$948,000 00	
United Way of Southeastern NE	Providence, RI	\$1,000,000 00	
			\$1,948,000 00

College Preparation Multi-Year Grants

<u>Organization</u>			
Boston Higher Education Partnership	Boston, MA	\$50,000 00	
Elms College	Chicopee, MA	\$60,000 00	
United Methodist Urban Services	Boston, MA	\$200,000 00	
University of Maine - Farmington	Farmington, ME	\$50,000 00	
University of Massachusetts - Boston	Boston, MA	\$50,000 00	
University of Massachusetts - Lowell	Lowell, MA	\$50,000 00	
			\$460,000 00
<i>Less. Present Value Discount (Multi-Year Grants)</i>			<i>(\$84,287.00)</i>

TOTAL

10,127,652

Nellie Mae Education Foundation, Inc.
 FYE 12/31/01
 EIN 04-2755323

Form 990, Part II, Line 42 & Part IV, Line 57

Fixed assets consisted of the following at December 31, 2001

Business equipment and software, Furniture and fixtures, and Leasehold improvements	<u>291,697</u>
Less accumulated depreciation and amortization	<u>(116,476)</u>
	<u>\$175,221</u>

	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>
Teri Gap Expense	(1,814,400)	(1,814,400)	0
Depreciation Fixed Assets	50,709	25,258	25,451
TOTAL	<u>(1,763,691)</u>	<u>(1,789,142)</u>	<u>25,451</u>

FORM 990, PART II - OTHER EXPENSES
=====

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL
LOAN SERVICING FEES	863,404.	863,404.	
MANAGEMENT EXPENSE	1,771,250.	1,771,250.	
ADVERTISING & PROMOTIONAL	9,559.	4,761.	4,798.
MISC. OFFICE	43,694.	21,764.	21,930.
MISC. OTHER	12,718.	6,334.	6,384.
INVESTMENT MANAGEMENT EXPENSE	696,316.	346,835.	349,481.
DIRECTORS & OTHER PROF FEES	419,193.	208,800.	210,393.
AMORTIZATION OF ISSUANCE COST	346,472.	346,472.	
TOTALS	4,162,606.	3,569,620.	592,986.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE
=====

NELLIE MAE EDUCATION FOUNDATION (THE "FOUNDATION") IS A MASSACHUSETTS, NONPROFIT CORPORATION. THE MISSION OF THE FOUNDATION IS TO PROMOTE THE ACCESSIBILITY, QUALITY AND EFFECTIVENESS OF EDUCATION, ESPECIALLY FOR UNDERSERVED POPULATIONS.

FORM 990, PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
-------------	------------------------	----------

THROUGH GRANT MAKING PROGRAMS, RESEARCH AND POLICY INITIATIVES, NELLIE MAE EDUCATION FOUNDATION WORKS WITH EDUCATIONAL INSTITUTIONS, COMMUNITY ORGANIZATIONS, FOUNDATIONS, GOVERNMENT AGENCIES AND OTHERS TO ENCOURAGE, ESTABLISHED AND MAINTAIN PROGRAMS AND SERVICES THAT PROMOTE EDUCATION.	10,127,652.	18,650,775.
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TOTAL

	10,127,652.	18,650,775
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FORM 990, PART IV - OTHER NOTES AND LOANS RECEIVABLE

BORROWER: STUDENT LOAN RECEIVABLE

BEGINNING BALANCE DUE	3,408,592.
ENDING BALANCE DUE	1,904,720.

BORROWER: INVESTMENT INCOME RECEIVABLE

BEGINNING BALANCE DUE	988,627.
ENDING BALANCE DUE	994,169.

BORROWER: OTHER RECEIVABLE

BEGINNING BALANCE DUE	70,590.
ENDING BALANCE DUE	43,037.

TOTAL BEGINNING OTHER NOTES AND LOANS RECEIVABLE	4,467,809.
--	------------

TOTAL ENDING OTHER NOTES AND LOANS RECEIVABLES	2,941,926.
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FORM 990, PART IV - INVESTMENTS - SECURITIES

Investments (FMV)

	Market Value 12/31/00	Market Value 12/31/01
Cash Equivalents	41,058,555	30,152,707
Fixed Income	105,368,233	114,311,003
Domestic Equities	137,471,684	125,371,428
Foreign Equities	42,902,782	37,700,456
	326,801,254	307,535,594

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION -----	ENDING BOOK VALUE -----
DEBT ISSUANCE COSTS, NET	485,427.
LOAN ORIGINATION COSTS, NET	316,550.

TOTALS	801,977.
	=====

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

Notes Payable

The following table summarizes outstanding notes payable of the Foundation as of December 31, 2001. The notes are limited obligations of the Foundation, payable solely from proceeds of pledged assets, the student loans receivable.

	Carrying Amount	Weighted Average Interest rate
Variable rate notes due		
2014	4,435,000	2.7%
2015	30,965,000	2.2%
2018	<u>48,617,000</u>	2.2%
	<u><u>84,017,000</u></u>	

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION

AMOUNT

INVESTMENT EXPENSE

-696,316.

TOTAL

-696,316.
=====

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN
=====

DESCRIPTION -----	AMOUNT -----
INVESTMENT EXPENSE	-696,316.
TOTAL	----- -696,316. =====

Nellie Mae Education Foundation, Inc
FYE 12/31/2001

04-2755323

Form 990, Part V, List of Officers, Directors, Trustees and Key Employees

<u>Name & Address</u>	<u>Title & Time Devoted to Position</u>	<u>Compensation</u>	<u>Contributions to Employee Benefit Plans</u>	<u>Expense Acct and Other Allowances</u>
Blenda J Wilson c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	President/CFO 40 hrs	286,694	40,017	None
Thomas D Parker c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	EVP/Treasurer 40 hrs (9/3/01 - 12/31/01)	67,039	770	None
Marcia W. Bromberg c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Treasurer/VP 40 hrs (1/1/01-6/30/01)	97,010	20,370	None
Diane L Saunders c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Clerk/VP 40 hrs	106,792	27,092	None

Statement 10A (1 of 5)

Nellie Mae Education Foundation, Inc
FYE 12/31/2001

04-2755323

Form 990, Part V, List of Officers, Directors, Trustees and Key Employees

<u>Name & Address</u>	<u>Title & Time Devoted to Position</u>	<u>Compensation</u>	<u>Contributions to Employee Benefit Plans</u>	<u>Expense Acct and Other Allowances</u>
Peter J Blampied c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 2 hrs/week	20,561	None	None
Lauro F. Cavazos c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 3 hrs/week	25,600	None	None
Richard G Dooley c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 4 hrs/week	39,300	None	None
Katharine H Hanson c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 3 hrs/week	19,650	None	None

Statement 10A (2 of 5)

Nellie Mae Education Foundation, Inc
FYE 12/31/2001

04-2755323

Form 990, Part V, List of Officers, Directors, Trustees and Key Employees

<u>Name & Address</u>	<u>Title & Time Devoted to Position</u>	<u>Compensation</u>	<u>Contributions to Employee Benefit Plans</u>	<u>Expense Acct and Other Allowances</u>
John C Hoy c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 3 hrs/week	27,961	None	None
Alice Jelin Isenberg c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 3 hrs/week	28,750	None	None
Diana Lam c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 2 hrs/week	18,861	None	None
J Bonnie Newman c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 1 hr/week	9,400	None	None

Statement 10A (3 of 5)

Nellie Mae Education Foundation, Inc
FYE 12/31/2001

04-2755323

Form 990, Part V, List of Officers, Directors, Trustees and Key Employees

<u>Name & Address</u>	<u>Title & Time Devoted to Position</u>	<u>Compensation</u>	<u>Contributions to Employee Benefit Plans</u>	<u>Expense Acct and Other Allowances</u>
Lawrence W O'Toole c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 3 hrs/week	24,500	None	None
John Ryan c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 4 hrs/week	32,211	None	None
Honorable O Rogeriee Thompson c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 3 hrs/week	21,350	None	None
William E Trueheart c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Quincy, MA 02169	Director 3 hrs/week	23,050	None	None

Statement 10A (4 of 5)

Nellie Mae Education Foundation, Inc
FYE 12/31/2001

04-2755323

Form 990, Part V, List of Officers, Directors, Trustees and Key Employees

<u>Name & Address</u>	<u>Title & Time Devoted to Position</u>	<u>Compensation</u>	<u>Contributions to Employee Benefit Plans</u>	<u>Expense Acct and Other Allowances</u>
Arthur White c/o Nellie Mae Education Foundation, Inc. 1250 Hancock Street Quincy, MA 02169	Director 3 hrs/week	24,750	None	None
Grand Totals:		<u>873,479</u>	<u>88,249</u>	<u>None</u>

FORM 990, SCHEDULE A, PART III, LINE 4b:

The common element that links all of the Foundation's grant and program elements in measurable educational achievement and attainment, pursued through a focus on four priority initiatives. Adult Literacy; College Preparation, Minority High Achievement; and Out-of-School Time programs

Any educational nonprofit organization that runs programs in the four key initiative programs is eligible, including public or private schools and college and community-based organizations, in any of the six New England states; Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont

The Nellie Mae Education Foundation has a two – stage process that begins with the submission of a Letter of Inquiry. Each of our four initiative areas has detailed funding priorities against which the Letter of Inquiry is reviewed for alignment

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I and check this box ▶
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II (on page 2 of this form) ▶
- Note** Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)
Note Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only ▶
 All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization Nellie Mae Education Foundation	Employer identification number 04 · 2755323
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions 50 Braintree Hill Park, Suite 110	
	City, town, or post office, state, and ZIP code. For a foreign address, see instructions Braintree, MA 02184	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box ▶
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box ▶ . If it is for part of the group, check this box ▶ and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until _____ 20__ to file the exempt organization return for the organization named above. The extension is for the organization's return for
 ▶ calendar year 2001 or
 ▶ tax year beginning _____, 20__, and ending _____, 20__

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ None

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ None

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0.00

Signature and Verification

Under penalties of perjury I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶  Title ▶ EXECUTIVE VICE PRESIDENT Date ▶ MAY 7, 2002

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box **Note Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868**
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time — Must File Original and One Copy		
Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization NELLIE MAE EDUCATION FOUNDATION, INC	Employer identification number 04-2755323
	Number, street and room or suite no. If a P.O. box, see instructions 1250 HANCOCK STREET	For IRS use only
	City, town or post office, state and ZIP code For a foreign address see instructions QUINCY, MA 02169	

Check type of return to be filed (File a separate application for each return)

Form 990 Form 990-EZ Form 990-T (sec 401(a) or 408(a) trust) Form 1041-A Form 5227 Form 8870

Form 990-BL Form 990-PF Form 990-T (trust other than above) Form 4720 Form 6069

STOP Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole group**, check this box If it is for **part of the group**, check this box and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until November 15, 20 02

5 For calendar year 2001, or other tax year beginning _____, 20 ____ and ending _____, 20 ____

6 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

7 State in detail why you need the extension Additional time is needed to file a complete and accurate return.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ NONE

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ NONE

c **Balance Due** Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ 0 00

Signature and Verification

Under penalties of perjury I declare that I have examined this form including accompanying schedules and statements and to the best of my knowledge and belief it is true correct and complete and that I am authorized to prepare this form

Signature [Signature] Title CPA Date 08/15/2002

Notice to Applicant — To Be Completed by the IRS

- We have approved this application Please attach this form to the organization's return
- We have not approved this application However we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return Please attach this form to the organization's return
- We have not approved this application After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file We are not granting a 10-day grace period
- We cannot consider this application because it was filed after the due date of the return for which an extension was requested
- Other _____

Director _____ By _____ Date _____

Alternate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Type or print	Name PricewaterhouseCoopers LLP Attn Gwen Spencer
	Number and street (include suite, room, or apt no.) Or a P.O. box number One International Place
	City or town, province or state, and country (including postal or ZIP code) Boston, MA 02110 Re Nellie Mae