

Return of Organization Exempt From Income Tax

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

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

2002

Open to Public Inspection

Department of the Treasury Internal Revenue Service

A For the 2002 calendar year, or tax year beginning 2002, and ending

Form header section B, C, D, E, F containing organization name (NELLIE MAE EDUCATION FOUNDATION, INC.), address (1250 HANCOCK STREET, QUINCY, MA 02169), and identification numbers.

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

Headline are not applicable to section 527 organizations

Headline questions H(a) through H(d) regarding group returns and affiliates.

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)

Web site WWW NMEFDN ORG, Organization type 501(c)(3), and check here section regarding gross receipts.

Gross receipts Add lines 6b 8b 9b and 10b to line 12 102,410,033.

ENVELOPE POSTMARK DATE AUG 8 2003

SCANNED AUG 19 2003

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions)

Main table with 21 rows detailing revenue (Total revenue: 16,000,687), expenses (Total expenses: 17,017,278), and net assets (Net assets at end of year: 368,804,374).

RECEIVED AUG 12 2003 IRS - SCOTTSDALE

Handwritten initials 'NE' and a large 'P' in the bottom right corner.

**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 page 21 of the instructions.)

Do not include amounts reported on line 8b, 8c, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ 9,952,943 noncash \$ )	9,952,943.	9,952,943.	STMT 2	
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25 Compensation of officers, directors, etc	1,018,302	494,895.	523,407.	
26 Other salaries and wages	1,202,557.	584,443.	618,114.	
27 Pension plan contributions	219,719.	106,783.	112,936.	
28 Other employee benefits	191,318.	92,981.	98,337.	
29 Payroll taxes	118,677	57,677.	61,000.	
30 Professional fundraising fees				
31 Accounting fees	84,834.	41,229.	43,605.	
32 Legal fees	39,728.	19,308.	20,420.	
33 Supplies	38,962.	18,936.	20,026.	
34 Telephone / technology	107,803.	52,392.	55,411.	
35 Postage and shipping	8,974.	4,361.	4,613.	
36 Occupancy	281,707.	136,910.	144,797.	
37 Equipment rental and maintenance	19,065.	9,266.	9,799.	
38 Printing and publications	34,617.	34,617.		
39 Travel	81,111.	39,420.	41,691.	
40 Conferences, conventions, and meetings	19,675.	9,562.	10,113.	
41 Interest	1,454,241.	1,454,241.		
42 Depreciation depletion etc (attach schedule)	-1,537,599.	-1,575,171.	37,572.	
43 Other expenses not covered above (itemize) STMT 3	3,680,644.	3,049,076.	631,568.	
b				
c				
d				
e				
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	17,017,278.	14,583,869.	2,433,409.	NONE

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  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 page 24 of the instructions)

What is the organization's primary exempt purpose? STMT 4

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.)

a	STMT 5			
		(Grants and allocations \$	9,952,943)	14,583,869.
b		(Grants and allocations \$	)	
c		(Grants and allocations \$	)	
d		(Grants and allocations \$	)	
e	Other program services (attach schedule)	(Grants and allocations \$	)	
f	<b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)			<b>14,583,869.</b>

**Part IV Balance Sheets** (See page 24 of the instructions)

Note		When required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year
Assets	45	Cash - non-interest-bearing		12,378,393	45	5,439,804
	46	Savings and temporary cash investments			46	
	47a	Accounts receivable	47a 129,810,858			
	b	Less allowance for doubtful accounts	47b 980,059	160,515,388	47c	128,830,799
	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 6 51a 2,050,063			
	b	Less allowance for doubtful accounts	51b	2,941,926	51c	2,050,063
	52	Inventories for sale or use				52
	53	Prepaid expenses and deferred charges				53
	54	Investments - securities (attach schedule)	STMT 7 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	307,535,594	54	287,755,093
	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	57a 566,212				
b	Less accumulated depreciation (attach schedule)	STMT 2A 57b 160,960	175,221	57c	405,252	
58	Other assets (describe <input type="checkbox"/> STMT 8 )		801,977	58	560,098	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)		484,348,499	59	425,041,109	
Liabilities	60	Accounts payable and accrued expenses		1,448,989	60	982,123
	61	Grants payable		4,480,950	61	3,857,330
	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 9	84,017,000	64b	51,351,999
65	Other liabilities (describe <input type="checkbox"/> INTEREST PAYABLE )		74,149	65	45,283	
66	<b>Total liabilities</b> (add lines 60 through 65)		90,021,088	66	56,236,735	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted		394,327,411	67	368,804,374
	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	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		394,327,411	73	368,804,374
	74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)		484,348,499	74	425,041,109

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 VI Other Information (See page 27 of the instructions)

Table with columns for question number, question text, and Yes/No columns. Includes questions 76 through 92 regarding organizational activities, financials, and reporting.

**Part VII** Analysis of Income-Producing Activities (See page 31 of the instructions)

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 <b>STUDENT LOAN INCOME</b>					10,305,070.
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	9,362,152.	
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	-3,666,535.	
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))				5,695,617.	10,305,070
105 Total (add line 104, columns (B), (D), and (E))					16,000,687.

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 page 32 of the instructions)

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 page 32 of the instructions)

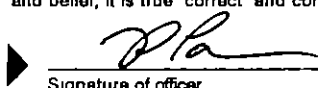
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X** Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions)

- (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  Date Aug 8, 2003

PREPARER

Date 8.1.03 Check if self-employed  Preparer's SSN or PTIN (See Gen. Inst. W)

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

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

**Supplementary Information - (See separate instructions)**

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

OMB No 1545-0047

**2002**

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
<b>MICHAEL J. FLANNERY</b> C/O NELLIE MAE EDU FDN, INC. 1250 HANCOCK ST., QUINCY, MA	CONTROLLER 40	124,764.	36,149.	NONE
<b>PAUL MAUSH</b> C/O NELLIE MAE EDU FDN, INC. 1250 HANCOCK ST., QUINCY, MA	I T MANAGER 40	80,776.	18,585.	NONE
<b>SYLVIA SALAS</b> C/O NELLIE MAE EDU FDN, INC. 1250 HANCOCK ST., QUINCY, MA	PROGRAM OFFICER 40	93,537.	22,310.	NONE
<b>LYNN D AMBROSE</b> C/O NELLIE MAE EDU FDN, INC. 1250 HANCOCK ST., QUINCY, MA	PROGRAM OFFICER 40	83,312.	17,452.	NONE
<b>RENO JAMES</b> C/O NELLIE MAE EDU FDN, INC. 1250 HANCOCK ST., QUINCY, MA	PROGRAM OFFICER 40	80,419.	22,480.	NONE
Total number of other employees paid over \$50,000	7			

**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
<b>FOUNDATION STRATEGY GROUP</b> 20 PARK PLAZA, STE 1127, BOSTON MA 02116	CONSULTING	236,580
<b>PRICEWATERHOUSECOOPERS LLP</b> 3105 W DR ML KING JR BLVD, TAMPA, FL 33607	AUDITORS	166,380.
<b>TOWERS PERRIN</b> P.O. BOX 8500, PHILADELPHIA, PA 19178	CONSULTING	78,588.
<b>PRIME, BUCHHOLZ &amp; ASSOCIATES, INC</b> 10 FEDERAL ST, STE 1900 BOSTON, MA 02110	INVTMNT CONSULTING	112,373
<b>HEAR INSURANCE CORP OF AMERICA</b> 3900 W TECHNOLOGY CIR. STE 7 SIOUX FALLS, SD 57106	LEGAL FEES	89,708
Total number of others receiving over \$50,000 for professional services	NONE	

**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 a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>NONE</u> (Must equal amounts on line 38, Part VI-A or line I 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)?	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>STMT IZA</u>		

**Part IV** Reason for Non-Private Foundation Status (See pages 3 through 5 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)
  - 11 a  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)
  - 11 b  A community trust Section 170(b)(1)(A)(vii) (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 5 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

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	NONE	NONE	NONE	25,323,485	25,323,485
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	17,212,000	23,360,000	35,371,761	143,159,708	219,103,469
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	10,367,000	13,335,000	5,687,000	511,000	29,900,000
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	27,579,000	36,695,000	41,058,761	168,994,193	274,326,954
24 Line 23 minus line 17	10,367,000	13,335,000	5,687,000	25,834,485	55,223,485
25 Enter 1% of line 23	275,790	366,950	410,588	1,689,942	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e) line 24				▶ 26a 1,104,470
	b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.				▶ 26b
	c Total support for section 509(a)(1) test. Enter line 24, column (e).				▶ 26c 55,223,485
	d Add amounts from column (e) for lines 18 29,900,000 19 _____				▶ 26d 29,900,000
	22 _____ 26b _____				
	e Public support (line 26c minus line 26d total)				▶ 26e 25,323,485
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				▶ 26f 45.8564 %
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person" prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year.				
	(2001) _____	(2000) _____	(1999) _____	NOT APPLICABLE	(1998) _____
	b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.				
	(2001) _____	(2000) _____	(1999) _____		(1998) _____
	c Add amounts from column (e) for lines 15 _____ 16 _____				▶ 27c
	17 _____ 20 _____ 21 _____				
	d Add line 27a total _____ and line 27b total _____				▶ 27d
	e Public support (line 27c total minus line 27d total)				▶ 27e
	f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)				▶ 27f
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				▶ 27g %
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				▶ 27h %
28 Unusual Grants	For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.				

**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
<b>29</b> 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?	<b>29</b>	
<b>30</b> 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?	<b>30</b>	
<b>31</b> 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 ) ----- ----- -----	<b>31</b>	
<b>32</b> Does the organization maintain the following		
<b>a</b> Record , indicating the racial composition of the student body, faculty, and administrative staff?	<b>32a</b>	
<b>b</b> Record , documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	<b>32b</b>	
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	<b>32c</b>	
<b>d</b> 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 ) ----- -----	<b>32d</b>	
<b>33</b> Does the organization discriminate by race in any way with respect to		
<b>a</b> Students' rights or privileges?	<b>33a</b>	
<b>b</b> Admissions policies?	<b>33b</b>	
<b>c</b> Employment of faculty or administrative staff?	<b>33c</b>	
<b>d</b> Scholarships or other financial assistance?	<b>33d</b>	
<b>e</b> Educational policies?	<b>33e</b>	
<b>f</b> Use of facilities?	<b>33f</b>	
<b>g</b> Athletics programs?	<b>33g</b>	
<b>h</b> Other extracurricular activities?  If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement ) ----- ----- -----	<b>33h</b>	
<b>34a</b> Does the organization receive any financial aid or assistance from a governmental agency?	<b>34a</b>	
<b>b</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	<b>34b</b>	
<b>35</b> Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Reg / Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	<b>35</b>	

**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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	NONE	NONE
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	NONE	NONE
38	Total lobbying expenditures (add lines 36 and 37)	NONE	NONE
39	Other exempt purpose expenditures	NONE	NONE
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 \$100,000 20% of the amount on line 40 Over \$500,100 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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45	Lobbying nontaxable amount	NONE	NONE	NONE	NONE
46	Lobbying ceiling amount (150% of line 45(e))				NONE
47	Total lobbying expenditures	NONE	NONE	NONE	NONE
48	Grassroots nontaxable amount	NONE	NONE	NONE	NONE
49	Grassroots ceiling amount (150% of line 48(e))				NONE
50	Grassroots lobbying expenditures	NONE	NONE	NONE	NONE

**Part VI-B** Lobbying Activity by Nonelecting Public Charities NOT APPLICABLE  
(For reporting only by organizations that did not complete Part VI-A) (See page 11 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

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h)

Yes	No	Amount
		N/A
		N/A
		N/A
		N/A
		N/A
		N/A
		N/A
		N/A

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



Nellie Mae Education Foundation, Inc  
 FYE 12/31/02  
 EIN 04-2755323  
 Form 990, Part I, Line 8a, 8b, 8c

<u>Portfolio Name</u>	<u>Line 8b Cost</u>	<u>Line 8a Proceeds</u>	<u>Line 8c Net Gain/(Loss)</u>
<b>Securities Sales</b>			
Cash Equivalents	24,995,343	25,000,000	4,657
State Street Global Advisors Mutual Funds			
Russell 1000	85,886	68,669	(17,217)
S & P Mid Cap	10,721	10,628	(93)
SSGA Intermediate Bond	102,154	107,876	5,722
Artisan Partners Managed Account	31,673,180	28,829,089	(2,844,091)
Loomis Sayles Managed Account	29,507,840	28,609,911	(897,929)
<b>Sub-total</b>	<u>86,375,124</u>	<u>82,626,173</u>	<u>(3,748,951)</u>
<b>Other</b>			
Var guard Treasury Mutual Fund - Cap Gain Dist		116,638	116,638
Disposal of Fixed Assets	34,222		(34,222)
<b>Total</b>	<u>86,409,346</u>	<u>82,742,811</u>	<u>(3,666,535)</u>

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES

=====

DESCRIPTION	AMOUNT
-----	-----
UNREALIZED LOSS ON INVESTMENTS	24,506,446.
TOTAL	----- 24,506,446. =====

Nellie Mae Education Foundation, Inc  
 FYE 12/31/02  
 EIN 04-275532 ;  
 Form 990, Part II, Line 22 - Grants and Allocations

		<u>Amount</u>	<u>Sub-Totals</u>
<b>Out-Of-School Time Initiative Grants</b>			
Mass 2020	Boston, MA	288,382	
Berlin Junior High School	Berlin, NH	5,000	
Charlestown Middle School	Charlestown, MA	500	
Conway School District	Conway, NH	54,000	
Daisy Bronson Middle School	Littleton, NH	5,000	
Family Resource Center at Gorham	Gorham, NH	49,000	
Farmington School District	Farmington, ME	500	
Franklin Middle School	Franklin, NH	500	
Governor Wentworth Regional	Wolfeboro, NH	500	
Haverhill Cooperative Middle School	North Haverhill, NH	84,000	
Keararge Regional Middle School	New London, NH	500	
Keene State College	Keene, NH	500	
Littleton School District	Littleton, NH	79,000	
Manchester Boys & Girls Clubs	Manchester, NH	500	
Monadnock Family Services	Peterborough, NH	500	
Newfound Memorial Middle School	Bristol, NH	500	
Pittsfield Youth Workshop	Pittsfield, NH	500	
PlusTime New Hampshire	Colchester, NH	462,492	
Portsmouth Middle School	Portsmouth, NH	500	
Raymond School District	Raymond, NH	500	
Seabrook Middle School	Hampton, NH	500	
Southside Middle School	Manchester, NH	500	
The Whitefield School	Whitefield, NH	500	
United Way of Merrimack	Concord, NH	500	
Boston Chinatown Neighborhood Center	Boston, MA	100,000	
Burlington Community School	Burlington, VT	1,000	
Fredenck Douglass Charter School	Hyde Park, MA	58,225	
LEAP	New Haven, CT	55,000	
Management Consulting Services	Boston, MA	16,984	
Media & Technology Charter High School	Boston, MA	92,830	
MissionSafe A New Beginning	Roxbury, MA	150,000	
Providence Summerbridge	Providence, RI	50,000	
Rebecca's Cafe	Braintree, MA	125	
Riverview Foundation	Topsham, ME	1,000	
Roxbury Preparatory Charter School	Roxbury, MA	75,000	
SquashBusters	Boston, MA	75,000	
Summerbridge Cambridge	Cambridge, MA	75,000	
Textron Chamber of Commerce	Providence, RI	88,500	
The B E L L Foundation	Dorchester, MA	100,000	
United Way of Massachusetts Bay	Boston, MA	225,000	<b>2,198,538</b>
<b>Adult Literacy "LifeLine" Initiative Grants</b>			
New Haven Adult Education	New Haven, CT	68,725	
A Different September	Boston, MA	94,576	

Nellie Mae Education Foundation, Inc  
 FYE 12/31/02  
 EIN 04-2755023  
 Form 990, Part II, Line 22 - Grants and Allocations

	<u>Amount</u>	<u>Sub-Totals</u>
<b>Adult Literacy "LifeLine" Initiative Grants (cont.)</b>		
Dorcas Place	299,000	
Immigrant Learning Center	158,917	
Maine Humanities Council	126,750	
Northeast Kingdom Learning Center	28,462	
Providence Public Library	61,951	
ROCA, Inc	89,160	
Western Connecticut Regional Adult Cont Education	62,000	
Action for Boston Community Development	63,000	
Belfast Adult & Community Education	61,000	
Cape Cod Community College Foundation	68,000	
Carbou School Department	58,000	
Community Education Project	61,000	
Community Learning Center	61,000	
Connecticut Department of Corrections	60,000	
Lewiston Adult Education	42,996	
MidCoast Adult & Community Education	37,570	
MSAD #35	54,000	
Nashua Adult Learning Center	43,873	
New England Literacy Resource Center	225,599	
Norfolk County Sheriff's Department	62,000	
Northern Essex Community College	62,000	
Odwin Learning Center	45,000	
Portland Adult Education	35,563	
RI Regional Adult Literacy Resource	60,694	
Sumner Adult Education	47,532	
The Tutorial Center	61,000	
Vernon Regional Adult Education	48,755	
W A I T T House	45,000	
Wallingford Adult Education	44,989	
X-Cel, Inc	44,500	
Jobs for the Future	139,500	2,522,112

**Minority High Achievement Initiative Grants**

Management Leadership for Tomorrow	50,000	
Trinity College	193,202	
University of Massachusetts - AfroAmerican Studies	12,000	
Boston Learning Center	90,000	
Capital Community College	80,245	
Dynamy, Inc	50,000	
Neighborhood House	71,000	
Northeastern University	71,157	
The Posse Foundation	74,238	
The Steppingstone Foundation	75,000	
U-Mass Boston Urban Scholars	204,798	971,640



Nellie Mae Education Foundation, Inc  
 FYE 12/31/02  
 EIN 04-2755623  
 Form 990, Part II, Line 22 - Grants and Allocations

		<u>Amount</u>	<u>Sub-Totals</u>
<b>College Preparation Initiative Grants</b>			
Berkshire Community College	Pittsfield, MA	(484)	
Spectrum Youth & Family Services	Burlington, VT	164,817	
Boston Higher Education Partnership	Boston, MA	50,000	
Clark University	Worcester, MA	95,000	
Connecticut Department of Higher Education	Danbury, CT	10,000	
Keene State College	Keene, NH	127,000	
Mashpee Wampanoag Indian Council, Inc	Mashpee, MA	10,000	
My Turn, Inc	Brockton, MA	62,650	
Roger Williams University	Bristol, RI	25,000	
The Care Center	Holyoke, MA	175,000	
The Education Resources Institute (TERI)	Boston, MA	119,300	
University of Connecticut	Storrs, CT	50,000	
University of Maine - Farmington	Farmington, ME	50,000	
University of Massachusetts - Boston	Boston, MA	50,000	
University of Massachusetts - Lowell	Lowell, MA	50,000	
University of Rhode Island - Kingston	Kingston, RI	62,000	
Vermont Student Assistance Corp	Winooski, VT	200,046	
Bridgeport Public Education Fund	Bridgeport, CT	35,000	
Brookline Housing Authority	Brookline, MA	6,712	
Bryant College	Cambridge, MA	6,122	
Danbury Community Center	Danbury, CT	4,187	
Hartford Consortium for Higher Education	Hartford, CT	35,000	
Hyde Square Task Force	Jamaica Plain, MA	60,000	
Rhode Island Youth Guidance	Pawtucket, RI	30,000	
St Michael's College	Colchester, VT	9,947	
University of Maine - Farmington	Farmington, ME	10,000	<b>1,497,297</b>
Add Present Value Discount (Multi-Year Grants)		75,526	<b>75,526</b>
<b>Discretionary Grants - General</b>			
Associated Grant Makers	Boston, MA	50,000	
Big Sister Association of Greater Boston	Boston, MA	5,000	
Boston Education Development Fund	Boston, MA	12,000	
Boston Renaissance Charter School	Boston, MA	20,000	
Boys & Girls Clubs of Boston	Boston, MA	500	
Catholic Schools Foundation, Inc (The)	Boston, MA	20,000	
Colonel Daniel Marr Boys & Girls Clubs	Dorchester, MA	5,000	
Council for Advancement of Adult Literacy	New York	50,000	
Dynamy, Inc	Worcester, MA	20,000	
Harvard Graduate School of Education	Cambridge, MA	39,200	
Immigrant Learning Center	Malden, MA	5,000	
Lyndon State College	Lyndonville, VT	5,950	
MassINC	Boston, MA	250,000	
New England Foundation for the Arts	Boston, MA	100,000	

Nellie Mae Education Foundation, Inc  
 FYE 12/31/02  
 EIN 04-275532  
 Form 990, Part I, Line 22 - Grants and Allocations

		<u>Amount</u>	<u>Sub-Totals</u>
<b>Discretionary Grants - General (cont.)</b>			
Parents United for Children	Boston, MA	23,000	
Public Education Network	Washington, DC	1,000	
Rhode Island College Foundation	Providence, RI	5,000	
The College Board	Waltham, MA	10,000	
The New England Council	Boston, MA	3,000	
The Patriot Ledger	Boston, MA	500	
United Way of Massachusetts Bay	Boston, MA	7,750	
United Way of Southern New England	Providence, RI	5,000	
University of Maine at Orono	Orono, ME	1,000	
University of Maine Upward Bound	Orono, ME	15,000	
Vermont Student Assistance Corp	Winooski, VT	10,000	
Washington County Youth Services	Montpelier, VT	5,500	
Women's Institute for Housing & Economic Development	Boston, MA	9,200	
Yale University	New Haven, CT	15,585	694,185

**Discretionary Grants - Director Discretionary**

Albany Law School	Albany, NY	2,500	
Austin Community Development Corporation	Austin, TX	1,000	
Baltimore Opera Company	Baltimore, MD	5,000	
Beginning with Books	Pittsburgh, PA	1,000	
Big Sister Association of Greater Boston	Boston, MA	3,000	
Biomedical Sciences Career Program	Boston, MA	2,500	
Boston Symphony Orchestra	Boston, MA	1,000	
Boys & Girls Aid Society of Oregon (The)	Portland, OR	10,000	
Bridgewater State College Foundation	Bridgewater, MA	2,000	
Bryant College	Smithfield, RI	2,500	
Center Stage	Baltimore, MD	5,000	
Child Health Services	Manchester, NH	5,000	
Codman Academy Charter School	Dorchester, MA	2,000	
College of Our Lady of Elms	Chicopee, MA	25,000	
College of St. Benedict	St. Joseph, MN	5,000	
Deering Foundation	Darien, CT	5,000	
Domus Foundation	Stamford, CT	2,000	
Education for Social Responsibility	Cambridge, MA	3,000	
Fight For Children	Vienna, VA	10,000	
Ford Hall Forum	Boston, MA	1,000	
Girls Scouts of Rhode Island	Providence, RI	1,000	
Harvard College	Cambridge, MA	5,000	
Hispanas Unidas	San Antonio, TX	2,000	
Holton-Arms School	Bethesda, MD	5,000	
Holyoke Community College Foundation	Holyoke, MA	5,000	
International Institute of Rhode Island	Providence, RI	2,000	
Jobs for America's Graduates	Alexandria, VA	10,000	
Longmeadow Educational Experiment	Longmeadow, MA	5,000	

Nellie Mae Education Foundation, Inc  
 FYE 12/31/07  
 EIN 04-2755123  
 Form 990, Part II, Line 22 - Grants and Allocations

		<u>Amount</u>	<u>Sub-Totals</u>
<b>Discretionary Grants - Director Discretionary (cont.)</b>			
Maryknoll Fathers & Brothers	Maryknoll, NY	1,000	
Notre Dame Academy	Hingham, MA	1,500	
Point Park College	Pittsburgh, PA	5,000	
Providence Black Repertory Company	Providence, RI	10,000	
Providence Summerbridge	Providence, RI	2,000	
Reading is Fundamental	Washington, DC	1,000	
Rhode Island Childrens Crusade	Providence, RI	5,000	
Rites and Religion Theatres	Providence, RI	5,000	
Skidmore College	Saratoga Springs, NY	2,500	
Smith College	Northampton, MA	15,000	
Sstoneage, Inc	Stamford, CT	10,000	
Stamford Cultural Development Corporation	Stamford, CT	8,000	
Tufts University School of Medicine	Boston, MA	25,000	
United Way of Stamford	Stamford, CT	4,000	
University of New Hampshire Foundation	Durham, NH	25,000	
University of Pittsburgh	Pittsburgh, PA	5,000	
University of Rhode Island	Kingston, RI	2,500	
Urban League of Pittsburgh	Pittsburgh, PA	1,000	
Wesleyan University	Middletown, CT	16,500	
YMCA of Greater Providence	Providence, RI	4,500	
Miscellaneous - accruals		22,000	300,000

**Discretionary Grants - Associates Discretionary**

Boys & Girls Clubs of Hartford	Hartford, CT	1,000
Community Foundation of Western MA	Springfield, MA	500
Community Music School	Springfield, MA	500
Community Preparatory School	Providence, RI	500
Connecticut Voices for Children	New Haven, CT	2,000
Federation for Children with Special Needs	Boston, MA	1,000
Maine Center for Education Services	Auburn, ME	2,000
New Hampshire Council on World Affairs	Durham, NH	750
Progreso Latino	Central Falls, RI	1,000
Providence Summerbridge	Providence, RI	500
Rivier College	Nashua, NH	150
School One	Providence, RI	500
Society for the Protection of NHF	Concord, NH	2,000
The Artists Collective	Hartford, CT	1,000
United Way of Androscoggin County	Lewiston, ME	2,000
University of New Hampshire	Durham, NH	100
University of New Hampshire	Durham, NH	1,000
Urban Collaborative	Providence, RI	400
Urban League of Southwestern CT	Stamford, CT	2,000

Nellie Mae Education Foundation, Inc  
 FYE 12/31/02  
 EIN 04-2755323  
 Form 990, Part II, Line 22 - Grants and Allocations

	<u>Amount</u>	<u>Sub-Totals</u>
<b>Discretionary Grants - Associates Discretionary (cont.)</b>		
Vermont Student Development Fund	2,000	
Women's Fund of Western MA	500	
Worcester State College	2,000	
YMCA of Greater Westfield	500	
YMCA of Greater Worcester	1,000	24,900
<b>Membership &amp; Regional Association Grants</b>		
AAPIP (Asian American/Pacific Islanders in Philanthropy)	1,000	
African American Federation	2,500	
ASPIRA of Connecticut	100	
Associated Grant Makers	13,500	
Associated Grant Makers	2,000	
Associated Grant Makers--Women & Girls	500	
Boston Adult Literacy Fund	2,500	
Boston Partners in Education	500	
Boys & Girls Clubs of Boston	500	
Bridgeport Public Education Fund	300	
Business & Professional Womens Association	250	
Citizen Schools	200	
Concerned Black Men of Massachusetts	150	
Connecticut Council for Philanthropy	2,100	
Council on Foundations	10,000	
Facing History & Ourselves	500	
Grantmakers for Education	2,000	
Grantmakers for Effective Organizations	1,000	
Hispanics in Philanthropy	1,200	
Independent Sector	12,500	
Independent Sector	2,500	
Maine Philanthropy Center	2,500	
Mass School-Age Coalition	500	
MassINC	10,000	
Mather School Sunshine Fund	120	
Museum of AfroAmerican History	25	
My Turn, Inc	500	
My Turn, Inc	350	
New England Educational Opportunity Association	6,000	
Rockefeller Family Fund	500	
Summer Search	75	
Teen Voices	250	
The College Board	325	
The New England Council	5,000	
Urban League of Eastern Massachusetts	2,500	
Women & Philanthropy	2,000	
YWCA Boston	270	86,715

Nellie Mae Education Foundation, Inc  
 FYE 12/31/02  
 EIN 04-2751323  
 Form 990, Part II, Line 22 - Grants and Allocations

		<u>Amount</u>	<u>Sub-Totals</u>
<b>Grants - Planning Grants</b>			
New England School Development Council	Marlborough, MA	99,000	99,000
<b>Grants - Technical Assistance</b>			
Inner-City Software, Inc	Dorchester, MA	5,000	
Stockford, Margorie	Portland, ME	1,045	6,045
<b>Grants - Evaluation Grants T/A</b>			
The Rhode Island Foundation	Providence, RI	1,872	1,872
<b>Grants - Other</b>			
BEDF/Middle School Math Initiative	Boston, MA	360,000	
Mass Campus Contact	Medford, MA	90,666	450,666
<b>Grants - Matching Gifts</b>		171,309	171,309
<b>Grants - Convenings/Conferences</b>		72,933	72,933
<b>Grants - Research &amp; Evaluation</b>			
The Institute for Higher Education Policy	Washington, DC	7,500	
Beth Miller (Miller Midzak Research)	Brookline, MA	15,000	
Boornazian, Dr Sharyn S, Ph D	Reading, MA	3,492	
Bingham Nalpas Research Associates	Cambridge, MA	8,000	
The President and Fellows of Harvard College	Cambridge, MA	100,000	
Yale University	New Haven, CT	117,118	
Bernard J McMullan	Trenton, NJ	2,400	
Goodyear, Leslie	Jamaica Plain, MA	150	
Mass Insight and Education Research Institute, Inc	Boston, MA	100,000	
Millennium Communications	Andover, MA	36,812	
The Institute for Higher Education Policy	Washington, DC	7,500	
University of Massachusetts	Amherst, MA	147,233	
			545,205
FSG-Communications Plan	Boston, MA	235,000	235,000
<b>GRAND TOTAL - ALL GRANTS ACTIVITY</b>			<b>9,952,943</b>

Nellie Mae Education Foundation, Inc  
 FYE 12/31/02  
 EIN 04-2755323

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

**Part II - Line 42**

	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>
Reversals of provisions for uncollectible loans	\$(1,610,697)	\$(1,610,697)	\$ -
Depreciation Fixed Assets	73,098	35,526	37,572
<b>TOTAL</b>	<b>\$(1,537,599)</b>	<b>\$(1,575,171)</b>	<b>\$ 37,572</b>

**Part IV - Line 57**

Fixed assets consisted of the following at December 31, 2002

Business equipment and software, Furniture and fixtures, and Leasehold improvements	<u>\$ 566,212</u>
Less accumulated depreciation and amortization	<u>(160,960)</u>
	<u><u>\$ 405,252</u></u>

STATEMENT 2A

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL
STUDENT LOAN SERVICING FEES	877,611.	877,611.	
STUDENT LOAN MANAGEMENT EXPENSE	1,365,856.	1,365,856.	
ADVERTISING & PROMOTIONAL	8,961.	4,355.	4,606.
MISC. OFFICE	49,451.	24,033.	25,418.
MISC. OTHER	75,733.	36,806.	38,927.
INVESTMENT MANAGEMENT EXPENSE	667,555.	324,432.	343,123.
PROFESSIONAL FEES	366,355.	178,049.	188,306.
AMORTIZATION OF ISSUANCE COST	208,444.	208,444.	
OTHER CONVENINGS & TRAVEL	60,678.	29,490.	31,188.
TOTALS	3,680,644.	3,049,076.	631,568.

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, ESTABLISH AND MAINTAIN PROGRAMS AND SERVICES THAT PROMOTE EDUCATION.	9,952,943.	14,583,869.
TOTAL	9,952,943.	14,583,869

FORM 990, PART IV - OTHER NOTES AND LOANS RECEIVABLE

BORROWER STUDENT LOAN RECEIVABLE

BEGINNING BALANCE DUE .....	1,904,720.
ENDING BALANCE DUE .....	1,238,087.

BORROWER INVESTMENT INCOME RECEIVABLE

BEGINNING BALANCE DUE ...	994,169.
ENDING BALANCE DUE .....	770,826.

BORROWER OTHER RECEIVABLE

BEGINNING BALANCE DUE .....	43,037.
ENDING BALANCE DUE .....	41,150.

TOTAL BEGINNING OTHER NOTES AND LOANS RECEIVABLE	2,941,926.
--	------------

TOTAL ENDING OTHER NOTES AND LOANS RECEIVABLES	2,050,063.
--	------------

FORM 990 PART IV - INVESTMENTS - SECURITIES

=====

Investments (FMV)	Market Value 12/31/01	Market Value 12/31/02
	<hr/>	<hr/>
Cash Equivalents	30,152,707	6,835,307
Fixed Income	114,311,003	149,739,901
Domestic Equities	125,371,428	98,535,017
Foreign Equities	37,700,456	32,644,868
	<hr/>	<hr/>
	307,535,594	287,755,093

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
-----	-----	-----
DEBT ISSUANCE COSTS, NET	485,427.	277,202.
LOAN ORIGINATION COSTS, NET	316,550.	282,896.
TOTALS	----- 801,977. =====	----- 560,098. =====

**FORM 990 PART IV - MORTGAGES AND OTHER NOTES PAYABLE**

---

The following table summarizes outstanding notes payable of the Foundation as of December 31, 2002. The notes are variable rate and are limited obligations of the Foundation payable solely from proceeds of pledged assets, the student loans receivable. Since interest on the notes is payable at a variable rate, the carrying value approximates fair value.

Variable rate notes due	Carrying amount	Weighted average interest rate
2015	\$ 16,915	1.76%
2018	<u>34,437</u>	1.76%
	<u>\$ 51,352</u>	

The intent of the Foundation is to retire substantially all debt during the next five years through the application of student loan payments.

Nellie Mae Education Foundation, Inc  
 EIN 04-2755323  
 Form 990, Part V, List of Officers, Directors, Trustees and Key Employees

<u>NAME &amp; ADDRESS</u>	<u>TITLE &amp; 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 Suite 205N Quincy, MA 02169	PRESIDENT/CFO 40 HRS	\$309,940	\$53,262	\$0
Thomas D Parker c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	EVP/TREASURER 40 HRS	\$218,900	\$36,224	\$0
Diane L Saunders c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	VP 40 HRS (1/1/02-6/28/02)	\$61,556	\$18,486	\$0
Rhonda Courson c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	CLERK 40 HRS (1/1/02-3/1/02)	\$12,622	\$1,944	\$0
Nancy Broude c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	CLERK 40 HRS (6/11/02-12/31/02)	\$50,192	\$11,968	\$0

Nellie Mae Education Foundation Inc

FYE 12/31/02

EIN 04-2756323

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

<u>NAME &amp; ADDRESS</u>	<u>TITLE &amp; 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 Suite 205N Quincy, MA 02169	DIRECTOR 3 HRS/WEEK	\$31,338	NONE	NONE
Lauro F Cavazos c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 2 HRS/WEEK	\$21,388	NONE	NONE
James P. Comer c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 1 HRS/WEEK	\$8,100	NONE	NONE
Richard G Dooley c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 4 HRS/WEEK	\$44,438	NONE	NONE
Katharine H Hanson c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 3 HRS/WEEK	\$24,788	NONE	NONE

STATEMENT 10  
2 of 4

Nellie Mae Education Foundation, Inc  
 FYE 12/31/02

Ein 04-2755322

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

<u>NAME &amp; ADDRESS</u>	<u>TITLE &amp; 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 Suite 205N Quincy, MA 02169	DIRECTOR 3 HRS/WEEK	\$23,900	NONE	NONE
Alice Jelin Isenberg c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 3 HRS/WEEK	\$30,488	NONE	NONE
Diana Lam c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 3 HRS/WEEK	\$28,188	NONE	NONE
Lawrence W O'Toole c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 3 HRS/WEEK	\$33,850	NONE	NONE
John Ryan c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 3 HRS/WEEK	\$33,000	NONE	NONE



Nellie Mae Education Foundation Inc

FYE 12/31/02

EIN 04-2755323

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

<u>NAME &amp; ADDRESS</u>	<u>TITLE &amp; TIME DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
Honorable O Rogeriee Thompson c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 3 HRS/WEEK	\$21,350	NONE	NONE
William E Trueheart c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 4 HRS/WEEK	\$33,888	NONE	NONE
Arthur White c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 3 HRS/WEEK	\$23,088	NONE	NONE
Dudley N Williams c/o Nellie Mae Education Foundation, Inc 1250 Hancock Street Suite 205N Quincy, MA 02169	DIRECTOR 1 HRS/WEEK	\$7,288	NONE	NONE
<b>GRAND TOTALS</b>		<b>\$1,018,302</b>	<b>\$121,884</b>	<b>\$0</b>

STATEMENT 10  
4 of 4

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

DESCRIPTION	AMOUNT
INVESTMENT EXPENSE	-667,555.
TOTAL	-667,555.

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

DESCRIPT' ON -----	AMOUNT -----
INVESTMENT EXPENSE	667,555.
TOTAL	<u>667,555.</u>

Nellie Mae Education Foundation, Inc  
FYE 12/31/02  
EIN 04-2755 23  
Form 990, Schedule A, Part III, Line 4b

The common element that links all of the Foundation's grants 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

## 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.

<b>Type or print</b> <small>File by the due date for filing your return. See instructions.</small>	Name of Exempt Organization <b>Nellie Mae Education Foundation</b>	Employer identification number <b>04 2755323</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>1250 Hancock Street, Suite 205N</b>	
	City, town, or post office, state, and ZIP code. For a foreign address, see instructions. <b>Quincy, MA 02169</b>	

**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 20\_\_ 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 ITD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0.00

### Signature and Verification

Under penalty 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 12, 2003**