

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
 Form 4
 January 14, 2011

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 CITIGROUP INC

2. Issuer Name and Ticker or Trading Symbol
 NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 [NZF]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 399 PARK AVENUE
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 01/12/2011

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

NEW YORK, NY 10043

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
Auction Rate Preferred	01/12/2011		S	D	\$ 25,001.25	1,101	I By Subsidiary (1)
Auction Rate Preferred	01/13/2010		S	D	\$ 25,000.75	1,022	I By Subsidiary (1)

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

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