

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
 Form 4
 January 21, 2011

FORM 4

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

OMB APPROVAL

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

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 *
 BANK OF AMERICA CORP /DE/

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

NUVEEN DIVIDEND
 ADVANTAGE MUNICIPAL FUND
 3 [NZF]

(Check all applicable)

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

(Last) (First) (Middle)

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

01/12/2011

BANK OF AMERICA
 CORPORATE CENTER, 100 N.
 TRYON STREET

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

___ Form filed by One Reporting Person
 ___X___ Form filed by More than One Reporting Person

CHARLOTTE, NC 28255

(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 Ownership (Instr. 4)
Auction Rate Preferred ⁽¹⁾	01/12/2011		J ⁽²⁾	61 D <u>2</u>	70	I	See Footnote ⁽¹⁾
Auction Rate Preferred ⁽¹⁾	01/13/2011		J ⁽²⁾	70 D <u>2</u>	0	I	See Footnote ⁽¹⁾

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

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- The Auction Rate Preferred Shares ("Shares") reported in Table I represent Shares beneficially owned by Bank of America, N.A. ("BANA") and Blue Ridge Investors, L.L.C. ("Blue Ridge"). BANA is a wholly owned subsidiary of Bank of America Corporation ("Bank of America") and Blue Ridge is a wholly owned subsidiary of BANA.
- (1) The Shares were called for redemption by the issuer at par value.
 - (2) The Shares were called for redemption by the issuer at par value.

Remarks:

The Shares reported herein represent Bank of America's combined holdings in multiple series of auction rate preferred securities.

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

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