

FORM 4

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

| OMB APPROVAL | |
|--|-----------|
| OMB Number: | 3235-0287 |
| Estimated average burden hours per response... | 0.5 |

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 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 NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 [NZF] | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Other (specify below) <input type="checkbox"/> | |
| (Last) (First) (Middle) BANK OF AMERICA CORPORATE CENTER, 100 N. TRYON STREET | | 3. Date of Earliest Transaction (Month/Day/Year) 10/04/2011 | | | |
| (Street) CHARLOTTE, NC 28255 | | 4. If Amendment, Date Original Filed (Month/Day/Year) | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Auction Rate Preferred (1) | 10/04/2011 | | J(2) | | 193 | D | (2) | 0 | I | See Footnote (1) |
| Auction Rate Preferred (1) | 10/05/2011 | | J(2) | | 163 | D | (2) | 0 | I | See Footnote (1) |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|---|-----|--|-----------------|---|----------------------------|--|--|--|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| BANK OF AMERICA CORP /DE/ BANK OF AMERICA CORPORATE CENTER 100 N. TRYON STREET CHARLOTTE, NC 28255 | | X | | |
| BANK OF AMERICA NA BANK OF AMERICA CORPORATE CENTER 100 NORTH TRYON STREET CHARLOTTE, NC 28255 | | X | | |
| Blue Ridge Investments, L.L.C. 214 N. TRYON STREET CHARLOTTE, NC 28255 | | X | | |

Signatures

| | | |
|---|--|------------|
| Bank of America Corporation and Bank of America, N.A., By: /s/ Michael Didovic, Title: Director | | 10/05/2011 |
| | <input type="checkbox"/> Signature of Reporting Person | Date |
| Blue Ridge Investments, L.L.C., By: /s/ John Hiebendahl, Title: SVP | | 10/05/2011 |
| | <input type="checkbox"/> Signature of Reporting Person | Date |

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).
- (1) 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 subsidiary of BANA.
- (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 of the issuer, which are treated herein as one class of securities in accordance with the Auction Rate Security action letter issued by the Securities and Exchange Commission on September 22, 2008. The dispositions relate to CUSIPs 67070X200 and 67070X309.

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.