

Subject to Completion
Preliminary Term Sheet dated November 1, 2011

<p>Units Bear Accelerated Return Notes® Linked to the Hang Seng China Enterprises Index, due January , 2013 \$10 principal amount per unit Term Sheet No.</p>	<p>Pricing Date* November , 2011 Settlement Date* November , 2011 Maturity Date* January , 2013 CUSIP No.</p>
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Bear Accelerated Return Notes®

- The notes have a maturity of approximately fourteen months
- The notes provide 3-to-1 upside exposure to decreases in the level of the Hang Seng China Enterprises Index (the "Index"), subject to a cap of 19% to 23%
- 1-to-1 downside exposure to increases in the level of the Index above the Starting Value, with up to 100% of the principal amount at risk
- Payment of the Redemption Amount at maturity is subject to the credit risk of Bank of America Corporation
- No periodic interest payments
- No listing on any securities exchange



The notes are being offered by Bank of America Corporation ("BAC"). The notes will have the terms specified in this term sheet as supplemented by the documents indicated below under "Additional Terms" (together, the "Note Prospectus"). Investing in the notes involves a number of risks. **There are important differences between the notes and a conventional debt security, including different investment risks. See "Risk Factors" on page TS-5 of this term sheet and beginning on page S-10 of product supplement ARN-3. The notes:**

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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In connection with this offering, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") is acting in its capacity as principal for your account.

None of the Securities and Exchange Commission (the "SEC"), any state securities commission, or any other regulatory body has approved or disapproved of these securities or determined if this Note Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Unit	Total
Public offering price ⁽¹⁾	\$10.00	\$
Underwriting discount ⁽¹⁾	\$0.20	\$
Proceeds, before expenses, to Bank of America Corporation	\$9.80	\$

⁽¹⁾ The public offering price and underwriting discount for any purchase of 500,000 units or more in a single transaction by an individual investor will be \$9.95 per unit and \$0.15 per unit, respectively. The public offering price and underwriting discount for any purchase by certain fee-based trusts and fee-based discretionary accounts managed by U.S. Trust operating through Bank of America, N.A. will be \$9.80 per unit and \$0.00 per unit, respectively.

*Depending on the date the notes are priced for initial sale to the public (the "pricing date"), any reference in this term sheet to the month in which the pricing date, the settlement date, or the maturity date will occur is subject to change.

Merrill Lynch & Co.

November , 2011



Summary

The Bear Accelerated Return Notes[®] Linked to the Hang Seng China Enterprises Index, due January , 2013 (the "notes") are our senior unsecured debt securities. The notes are not guaranteed or insured by the Federal Deposit Insurance Corporation or secured by collateral. **The notes will rank equally with all of our other unsecured and unsubordinated debt, and any payments due on the notes, including any repayment of principal, will be subject to the credit risk of BAC.** The notes are designed for investors (i) who seek a leveraged return, subject to a cap, if the level of the Hang Seng China Enterprises Index (the "Index") decreases moderately from the Starting Value of the Index to the Ending Value of the Index or (ii) who want to invest in a security of this kind for risk diversification purposes. The notes should not be viewed as a hedging instrument for an investor's long equity positions because the notes are a capped investment and will not track the market movements of your investments. Investors must be willing to forgo interest payments on the notes and be willing to accept a return that is capped or a repayment that is less, and potentially significantly less, than the Original Offering Price.

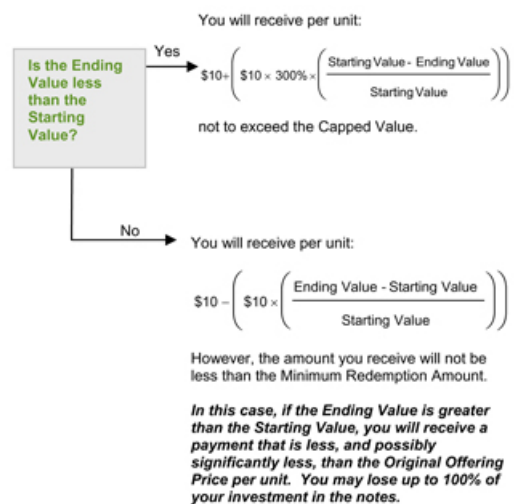
Capitalized terms used but not defined in this term sheet have the meanings set forth in product supplement ARN-3. Unless otherwise indicated or unless the context requires otherwise, all references in this document to "we," "us," "our," or similar references are to BAC.

Terms of the Notes

Issuer:	Bank of America Corporation ("BAC")
Original Offering Price:	\$10.00 per unit
Term:	Approximately fourteen months
Market Measure:	Hang Seng China Enterprises Index (Bloomberg symbol: "HSCEI").
Starting Value:	The closing level of the Market Measure on the pricing date.
Ending Value:	The average of the closing levels of the Market Measure on each scheduled calculation day during the Maturity Valuation Period. If it is determined that a scheduled calculation day is not a Market Measure Business Day, or if a Market Disruption Event occurs on a scheduled calculation day, the Ending Value will be determined as more fully described on page S-24 of product supplement ARN-3.
Capped Value:	\$11.90 to \$12.30 per unit of the notes, which represents a return of 19% to 23% over the Original Offering Price. The actual Capped Value will be determined on the pricing date.
Participation Rate:	300%
Minimum Redemption Amount:	\$0.00 per unit
Maturity Valuation Period:	Five scheduled calculation days shortly before the maturity date, determined on the pricing date.
Calculation Agent:	MLPF&S, a subsidiary of BAC
Fees Charged:	The public offering price of the notes includes the underwriting discount of \$0.20 per unit as listed on the cover page and an additional charge of \$0.075 per unit more fully described on page TS-6.

Redemption Amount Determination

On the maturity date, you will receive a cash payment per unit (the "Redemption Amount") calculated as follows:



Hypothetical Payout Profile

The below graph is based on **hypothetical** numbers and values.



This graph reflects the returns on the notes, based on the Participation Rate of 300% and a Capped Value of \$12.10 (a 21% return), the midpoint of the Capped Value range of \$11.90 to \$12.30. The green line reflects the returns on the notes, while the dotted gray line reflects the returns of a direct investment in the stocks included in the Index, excluding dividends.

This graph has been prepared for purposes of illustration only. **Your actual return will depend on the actual Starting Value, Ending Value, Capped Value, and the term of your investment.**

Hypothetical Redemption Amounts

The below table and examples are for purposes of illustration only. They are based on **hypothetical** values and show a **hypothetical** return on the notes. The actual amount you receive and the resulting total rate of return will depend on the **actual** Starting Value, Ending Value, Capped Value, and the term of your investment.

The following table illustrates, for a Starting Value of 100 and a range of Ending Values:

- the percentage change from the Starting Value to the Ending Value;
- the Redemption Amount per unit of the notes; and
- the total rate of return to holders of the notes.

The table and examples are based on the Participation Rate of 300%, the Minimum Redemption Amount of \$0.00, and a Capped Value of \$12.10.

Ending Value	Percentage Change from the Starting Value to the Ending Value	Redemption Amount per Unit	Total Rate of Return on the Notes
70.00	-30.00%	\$12.10	21.00%
80.00	-20.00%	\$12.10	21.00%
90.00	-10.00%	\$12.10	21.00%
93.00	-7.00%	\$12.10 (1)	21.00%
98.00	-2.00%	\$10.60	6.00%
98.50	-1.50%	\$10.45	4.50%
99.00	-1.00%	\$10.30	3.00%
99.50	-0.50%	\$10.15	1.50%
100.00 (2)	0.00%	\$10.00	0.00%
105.00	5.00%	\$9.50	-5.00%
110.00	10.00%	\$9.00	-10.00%
120.00	20.00%	\$8.00	-20.00%
130.00	30.00%	\$7.00	-30.00%
140.00	40.00%	\$6.00	-40.00%
150.00	50.00%	\$5.00	-50.00%
160.00	60.00%	\$4.00	-60.00%
170.00	70.00%	\$3.00	-70.00%
210.00	210.00%	\$0.00	-100.00%
250.00	250.00%	\$0.00	-100.00%

(1) The Redemption Amount cannot exceed the **hypothetical** Capped Value of \$12.10 (the midpoint of the Capped Value range of \$11.90 to \$12.30).

(2) The **hypothetical** Starting Value of 100 used in these examples has been chosen for illustrative purposes only, and does not represent a likely actual Starting Value for the Index. For recent actual levels of the Index, see "The Index" section below, beginning on page TS-7.

Example 1 — The Ending Value is 80% of the Starting Value:

Starting Value: 100
Ending Value: 80

$$\$10 + \left[\$10 \times 300\% \times \left(\frac{100 - 80}{100} \right) \right] = \$16.00$$

Redemption Amount (per unit) = \$12.10 *(The Redemption Amount cannot be greater than the Capped Value.)*

Example 2 — The Ending Value is 99% of the Starting Value:

Starting Value: 100
Ending Value: 99

$$\$10 + \left[\$10 \times 300\% \times \left(\frac{100 - 99}{99} \right) \right] = \$10.30$$

Redemption Amount (per unit) = \$10.30

Example 3 — The Ending Value is 130% of the Starting Value:

Starting Value: 100
Ending Value: 130

$$\$10 - \left[\$10 \times \left(\frac{130 - 100}{100} \right) \right] = \$7.00$$

Redemption Amount (per unit) = \$7.00

Example 4 — The Ending Value is 250% of the Starting Value:

Starting Value: 100
Ending Value: 250

$$\$10 - \left[\$10 \times \left(\frac{250 - 100}{100} \right) \right] = -\$5.00$$

Redemption Amount (per unit) = \$0.00 *(The Redemption Amount cannot be less than the Minimum Redemption Amount.)*

Risk Factors

There are important differences between the notes and a conventional debt security. An investment in the notes involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the notes in the "Risk Factors" sections beginning on page S-10 of product supplement ARN-3 and page S-4 of the MTN prospectus supplement identified below under "Additional Terms." We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

- Your investment may result in a loss; there is no guaranteed return of principal.
- Your yield may be less than the yield on a conventional debt security of comparable maturity.
- Your investment return, if any, is limited to the return represented by the Capped Value.
- Your investment return, if any, may be less than a comparable investment directly in the stocks included in the Index.
- You must rely on your own evaluation of the merits of an investment linked to the Index.
- In seeking to provide you with what we believe to be competitive terms for the notes while providing MLPF&S with compensation for its services, we have considered the costs of developing, hedging, and distributing the notes described on page TS-6. The price at which you may sell the notes in any secondary market may be lower than the public offering price due to, among other things, the inclusion of these costs.
- A trading market is not expected to develop for the notes. MLPF&S is not obligated to make a market for, or to repurchase, the notes.
- The Redemption Amount will not be affected by all developments relating to the Index.
- Hang Seng Indexes Company Limited ("Hang Seng Indexes") may adjust the Index in a way that affects its level, and Hang Seng Indexes has no obligation to consider your interests.
- You will have no rights of a holder of the securities represented by the Index, and you will not be entitled to receive securities or dividends or other distributions by the issuers of those securities.
- While we or our affiliates may from time to time own shares of companies included in the Index, we do not control any company included in the Index, and are not responsible for any disclosure made by any other company.
- Your return on the notes may be affected by factors affecting the international securities markets.
- Exchange rate movements may impact the value of the notes.
- If you attempt to sell the notes prior to maturity, their market value, if any, will be affected by various factors that interrelate in complex ways, and their market value may be less than the Original Offering Price.
- Payments on the notes are subject to our credit risk, and changes in our credit ratings are expected to affect the value of the notes.
- Purchases and sales by us and our affiliates of shares of companies included in the Index may affect your return.
- Our trading and hedging activities may create conflicts of interest with you.
- Our hedging activities may affect your return on the notes and their market value.
- Our business activities relating to the companies represented by the Index may create conflicts of interest with you.
- There may be potential conflicts of interest involving the calculation agent. We have the right to appoint and remove the calculation agent.
- The U.S. federal income tax consequences of the notes are uncertain, and may be adverse to a holder of the notes. See "Summary Tax Consequences" and "Certain U.S. Federal Income Taxation Considerations" on page TS-9 below and "U.S. Federal Income Tax Summary" beginning on page S-43 of product supplement ARN-3.

Investor Considerations

You may wish to consider an investment in the notes if:

- You anticipate that the level of the Index will decrease moderately from the Starting Value to the Ending Value or seek risk diversification.
- You accept that your investment will result in a loss, which could be significant, if the level of the Index increases from the Starting Value
- You accept that the return on the notes will not exceed the return represented by the Capped Value.
- You are willing to forgo interest payments on the notes, such as fixed or floating rate interest paid on traditional interest bearing debt securities.
- You seek exposure to the Index with no expectation of dividends or other benefits of owning the stocks included in the Index.
- You are willing to accept that a trading market is not expected to develop for the notes. You understand that secondary market prices for the notes, if any, will be affected by various factors, including our actual and perceived creditworthiness.
- You are willing to make an investment, the payments on which depend on our creditworthiness, as the issuer of the notes.

The notes may not be an appropriate investment for you if:

- You anticipate that the level of the Index will increase from the Starting Value to the Ending Value or that the level of the Index will not decrease sufficiently over the term of the notes to provide you with your desired return.
- You seek principal protection or preservation of capital.
- You seek a return on your investment that will not be capped at the return represented by the Capped Value.
- You seek interest payments or other current income on your investment.
- You want to receive dividends or other distributions paid on the stocks included in the Index.
- You seek assurances that there will be a liquid market if and when you want to sell the notes prior to maturity.
- You are unwilling or are unable to assume the credit risk associated with us, as the issuer of the notes.

Other Terms of the Notes

Market Measure Business Day

The following definition shall supersede and replace the definition of a "Market Measure Business Day" set forth on pages S-7 and S-24 of product supplement ARN-3.

A "Market Measure Business Day" means a day on which (1) the Hong Kong Stock Exchange, or its successor, is open for trading and (2) the Market Measure or any successor thereto is calculated and published.

Supplement to the Plan of Distribution; Role of MLPF&S and Conflicts of Interest

We may deliver the notes against payment therefor in New York, New York on a date that is greater than three business days following the pricing date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if the initial settlement of the notes occurs more than three business days from the pricing date, purchasers who wish to trade the notes more than three business days prior to the original issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

The notes will not be listed on any securities exchange. In the original offering, the notes will be sold in minimum investment amounts of 100 units.

MLPF&S, a broker-dealer subsidiary of BAC, is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and will participate as selling agent in the distribution of the notes. Accordingly, offerings of the notes will conform to the requirements of Rule 5121 applicable to FINRA members. MLPF&S may not make sales in this offering to any of its discretionary accounts without the prior written approval of the account holder.

Under our distribution agreement with MLPF&S, MLPF&S will purchase the notes from us as principal at the public offering price indicated on the cover of this term sheet, less the indicated underwriting discount. The public offering price includes, in addition to the underwriting discount, a charge of approximately \$0.075 per unit. This charge reflects an estimated profit earned by MLPF&S from transactions through which the notes are structured and resulting obligations hedged. The fees charged reduce the economic terms of the notes. Actual profits or losses from these hedging transactions may be more or less than this amount. In entering into the hedging arrangements for the notes, we seek competitive terms and may enter into hedging transactions with a division of MLPF&S or one of our subsidiaries or affiliates. For further information regarding these charges, our trading and hedging activities and other conflicts of interest, see "Risk Factors—General Risks Relating to ARNs" beginning on page S-10 and "Use of Proceeds" on page S-21 in product supplement ARN-3.

MLPF&S will not receive an underwriting discount for notes sold to certain fee-based trusts and fee-based discretionary accounts managed by U.S. Trust operating through Bank of America, N.A.

If you place an order to purchase the notes, you are consenting to MLPF&S acting as a principal in effecting the transaction for your account.

MLPF&S may repurchase and resell the notes, with repurchases and resales being made at prices related to then-prevailing market prices or at negotiated prices. MLPF&S may act as principal or agent in these market-making transactions; however it is not obligated to engage in any such transactions.



The Index

All disclosures contained in this term sheet regarding the Index, including, without limitation, its make-up, method of calculation, and changes in its components, have been derived from publicly available sources. The information reflects the policies of, and is subject to change by, Hang Seng Indexes. Hang Seng Indexes, which owns the copyright and all other rights to the Index, has no obligation to continue to publish, and may discontinue publication of, the Index. The consequences of Hang Seng Indexes discontinuing publication of the Index are discussed in the section of product supplement ARN-3 beginning on page S-36 entitled "Description of ARNs—Discontinuance of a Market Measure." None of us, the calculation agent, or MLPF&S accepts any responsibility for the calculation, maintenance, or publication of the Index or any successor index.

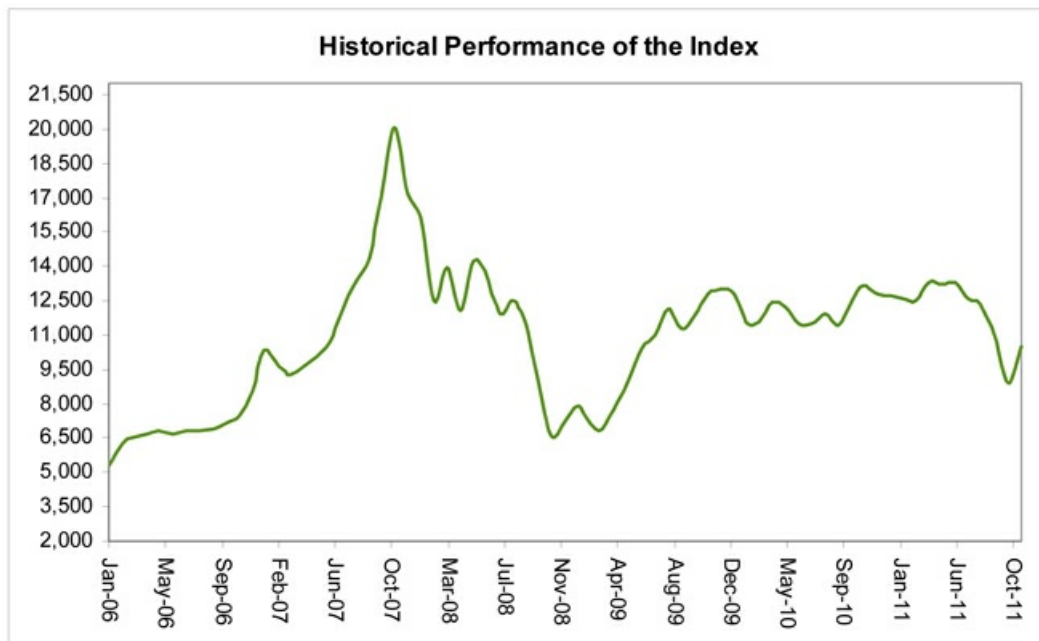
The Index is calculated and managed by Hang Seng Indexes, a wholly-owned subsidiary of the Hang Seng Bank. The Index was first calculated and published on August 8, 1994, one year after the first H-share company was listed on the Stock Exchange of Hong Kong Ltd. (the "SEHK"). The Index was launched as a market capitalization weighted index. It tracks the performance of the H-share companies that have their primary listing on the main board of the SEHK. H-shares are SEHK listed shares, traded in Hong Kong dollars, of companies incorporated in mainland China. The Index had a base index of 1,000 at launch, but with the launch of the Hang Seng Composite Index Series on October 3, 2001, the Index was rebased with a value of 2,000 on January 3, 2000 to align with the Hang Seng Composite Index Series. Only the 40 stocks that have the highest market capitalization will be selected as constituents of the Index. As of September 30, 2011, eleven industries comprise the Index, with the approximate percentage of the market capitalization of the Index included in each group indicated in parentheses: Financials (52.37%); Energy (27.69%); Properties & Construction (4.38%); Consumer Goods (4.03%); Telecommunications (3.70%); Materials (2.51%); Services (1.47%); Industrial Goods (1.43%); Utilities (1.24%); Information Technology (1.13%); and Conglomerates (0.00%).

To be eligible for inclusion in the Index, a stock must have listed on the main board of the SEHK for at least one month. A stock can be selected as a constituent of the Index if (a) it has had a turnover velocity of at least 0.1% for at least 10 out of the past 12 months (not required for a stock with a trading history on the main board of the SEHK of less than 12 months) and for all of the latest three months, and (b) the stock's 12-month average (or the average of past month-end for stocks with a listing history of less than 12 months) market capitalization after free float adjustment rank rises to the 40th position or better. The number of constituent stocks in the Index is fixed at 40, so the next highest ranking stock will be added or the next lowest ranking constituents will be removed if the numbers of stocks that leave and join the Index are not the same.

Since March 2006, the Index has used a free float-adjusted market capitalization weighted methodology, which aims to exclude from the Index calculation certain shareholdings that are not readily available for trading. A 10% cap on individual stock weights is applied to ensure no single stock dominates the Index. The Index is reviewed and rebalanced quarterly.

The Index is reported by Bloomberg L.P. under the ticker symbol "HSCEI".

The following graph sets forth the monthly historical performance of the Index in the period from January 2006 through October 2011. This historical data on the Index is not necessarily indicative of the future performance of the Index or what the value of the notes may be. Any historical upward or downward trend in the level of the Index during any period set forth below is not an indication that the level of the Index is more or less likely to increase or decrease at any time over the term of the notes. On October 31, 2011, the closing level of the Index was 10,512.99.



Before investing in the notes, you should consult publicly available sources for the levels and trading pattern of the Index. The generally unsettled international environment and related uncertainties, including the risk of terrorism, may result in the Index and financial markets generally exhibiting greater volatility than in earlier periods.

License Agreement

We have entered into a non-exclusive license agreement with Hang Seng Indexes and Hang Seng Data Services Limited providing for the license to us of the right to use certain indices calculated by Hang Seng Indexes in connection with the issuance and marketing of securities, including the notes.

The license agreement provides that the following information must be set forth in this term sheet:

The Hang Seng China Enterprises Index (the "Index") is published and compiled by Hang Seng Indexes Company Limited pursuant to a license from Hang Seng Data Services Limited. The mark and name of the Index are proprietary to Hang Seng Data Services Limited. Hang Seng Indexes Company Limited and Hang Seng Data Services Limited have agreed to the use of, and reference to, the Index by us in connection with the notes BUT NEITHER HANG SENG INDEXES COMPANY LIMITED NOR HANG SENG DATA SERVICES LIMITED WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE NOTES OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF ANY OF THE INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF ANY OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF ANY OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO ANY OF THE INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis of computation and compilation of any of the INDEX and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by Hang Seng Indexes Company Limited without notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HANG SENG INDEXES COMPANY LIMITED OR HANG SENG DATA SERVICES LIMITED (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO ANY OF THE INDEX BY US IN CONNECTION WITH THE NOTES; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, OR ERRORS OF HANG SENG INDEXES COMPANY LIMITED IN THE COMPUTATION OF THE INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS, OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE NOTES OR ANY OTHER PERSON DEALING WITH THE NOTES AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HANG SENG INDEXES COMPANY LIMITED AND/OR HANG SENG DATA SERVICES LIMITED in connection with the notes in any manner whatsoever by any broker, holder, or other person dealing with the notes. Any broker, holder or other person dealing with the notes does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on Hang Seng Indexes Company Limited and Hang Seng Data Services Limited. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder, or other person and Hang Seng Indexes Company Limited and/or Hang Seng Data Services Limited and must not be construed to have created such relationship.

Summary Tax Consequences

You should consider the U.S. federal income tax consequences of an investment in the notes, including the following:

- You agree with us (in the absence of an administrative determination, or judicial ruling to the contrary) to characterize and treat the notes for all tax purposes as a single financial contract with respect to the Index that requires you to pay us at inception an amount equal to the purchase price of the notes and that entitles you to receive at maturity an amount in cash based upon the performance of the Index.
- Under this characterization and tax treatment of the notes, upon receipt of a cash payment at maturity or upon a sale or exchange of the notes prior to maturity, you generally will recognize capital gain or loss. This capital gain or loss generally will be long-term capital gain or loss if you held the notes for more than one year.

Certain U.S. Federal Income Taxation Considerations

Set forth below is a summary of certain U.S. federal income tax considerations relating to an investment in the notes. The following summary is not complete and is qualified in its entirety by the discussion under the section entitled "U.S. Federal Income Tax Summary" beginning on page S-43 of product supplement ARN-3, which you should carefully review prior to investing in the notes.

General. Although there is no statutory, judicial, or administrative authority directly addressing the characterization of the notes, we intend to treat the notes for all tax purposes as a single financial contract with respect to the Index that requires the investor to pay us at inception an amount equal to the purchase price of the notes and that entitles the investor to receive at maturity an amount in cash based upon the performance of the Index. Under the terms of the notes, we and every investor in the notes agree, in the absence of an administrative determination or judicial ruling to the contrary, to treat the notes as described in the preceding sentence. This discussion assumes that the notes constitute a single financial contract with respect to the Index for U.S. federal income tax purposes. If the notes did not constitute a single financial contract, the tax consequences described below would be materially different. The discussion in this section also assumes that there is a significant possibility of a significant loss of principal on an investment in the notes.

This characterization of the notes is not binding on the Internal Revenue Service ("IRS") or the courts. No statutory, judicial, or administrative authority directly addresses the characterization of the notes or any similar instruments for U.S. federal income tax purposes, and no ruling is being requested from the IRS with respect to their proper characterization and treatment. Due to the absence of authorities on point, significant aspects of the U.S. federal income tax consequences of an investment in the notes are not certain, and no assurance can be given that the IRS or any court will agree with the characterization and tax treatment described in product supplement ARN-3. Accordingly, you are urged to consult your tax advisor regarding all aspects of the U.S. federal income tax consequences of an investment in the notes, including possible alternative characterizations.

Settlement at Maturity or Sale or Exchange Prior to Maturity. Assuming that the notes are properly characterized and treated as single financial contracts with respect to the Index for U.S. federal income tax purposes, upon receipt of a cash payment at maturity or upon a sale or exchange of the notes prior to maturity, a U.S. Holder (as defined on page S-44 of product supplement ARN-3) generally will recognize capital gain or loss equal to the difference between the amount realized and the U.S. Holder's basis in the notes. This capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder held the notes for more than one year. The deductibility of capital losses is subject to limitations.

Possible Future Tax Law Changes. From time to time, there may be legislative proposals or interpretive guidance addressing the tax treatment of financial instruments such as the notes. We cannot predict the likelihood of any such legislation or guidance being adopted, or the ultimate impact on the notes. For example, on December 7, 2007, the IRS released Notice 2008-2 ("Notice") seeking comments from the public on the taxation of financial instruments currently taxed as "prepaid forward contracts." This Notice addresses instruments such as the notes. According to the Notice, the IRS and Treasury are considering whether a holder of an instrument such as the notes should be required to accrue ordinary income on a current basis, regardless of whether any payments are made prior to maturity. It is not possible to determine what guidance the IRS and Treasury will ultimately issue, if any. Any such future guidance may affect the amount, timing, and character of income, gain, or loss in respect of the notes, possibly with retroactive effect. The IRS and Treasury are also considering additional issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital, whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals, whether Section 1260 of the Internal Revenue Code of 1986, as amended, concerning certain "constructive ownership transactions," generally applies or should generally apply to such instruments, and whether any of these determinations depend on the nature of the underlying asset. We urge you to consult your own tax advisors concerning the impact and the significance of the above considerations. We intend to continue treating the notes for U.S. federal income tax purposes in the manner described herein unless and until such time as we determine, or the IRS or Treasury determines, that some other treatment is more appropriate.

Additional Medicare Tax on Unearned Income. With respect to taxable years beginning after December 31, 2012, certain U.S. Holders, including individuals, estates and trusts, will be subject to an additional 3.8% Medicare tax on unearned income. For individual U.S. Holders, the additional Medicare tax applies to the lesser of (i) "net investment income," or (ii) the excess of "modified adjusted gross income" over \$200,000 (\$250,000 if married and filing jointly or \$125,000 if married and filing separately). "Net investment income" generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. Investment income generally includes passive income such as interest, dividends, annuities, royalties, rents, and capital gains. U.S. Holders are urged to consult their own tax advisors regarding the implications of the additional Medicare tax resulting from an investment in the notes.

You should consult your own tax advisor concerning the U.S. federal income tax consequences to you of acquiring, owning, and disposing of the notes, as well as any tax consequences arising under the laws of any state, local, foreign, or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws. See the discussion under the section entitled "U.S. Federal Income Tax Summary" beginning on page S-43 of product supplement ARN-3.

Additional Terms

You should read this term sheet, together with the documents listed below, which together contain the terms of the notes and supersede all prior or contemporaneous oral statements as well as any other written materials. You should carefully consider, among other things, the matters set forth under "Risk Factors" in the sections indicated on the cover of this term sheet. The notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

You may access the following documents on the SEC Website at www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC Website):

- Product supplement ARN-3 dated April 1, 2010:
<http://www.sec.gov/Archives/edgar/data/70858/000119312510075888/d424b5.htm>
- Series L MTN prospectus supplement dated April 21, 2009 and prospectus dated April 20, 2009:
<http://www.sec.gov/Archives/edgar/data/70858/000095014409003387/g18667b5e424b5.htm>

Our Central Index Key, or CIK, on the SEC Website is 70858.

We have filed a registration statement (including a product supplement, a prospectus supplement, and a prospectus) with the SEC for the offering to which this term sheet relates. Before you invest, you should read the product supplement, the prospectus supplement, and the prospectus in that registration statement, and the other documents relating to this offering that we have filed with the SEC for more complete information about us and this offering. You may get these documents without cost by visiting EDGAR on the SEC Website at www.sec.gov. Alternatively, we, any agent, or any dealer participating in this offering will arrange to send you the Note Prospectus if you so request by calling MLPF&S toll-free at 1-866-500-5408.

Enhanced Return

MLPF&S classifies certain market-linked investments (the "Market-Linked Investments") into categories, each with different investment characteristics. The following description is meant solely for informational purposes and is not intended to represent any particular Enhanced Return Market-Linked Investment or guarantee any performance.

Enhanced Return Market-Linked Investments are short- to medium-term investments that offer you a way to enhance exposure to a particular market view without taking on a similarly enhanced level of market downside risk. They can be especially effective in a flat to moderately positive market (or, in the case of bearish investments, a flat to moderately negative market). In exchange for the potential to receive better-than market returns on the linked asset, you must generally accept a degree of market downside risk and capped upside potential. As these investments are not market downside protected, and do not assure full repayment of principal at maturity, you need to be prepared for the possibility that you may lose all or part of your investment.

*Accelerated Return Notes® and "ARNs®" are our registered service marks.