

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
 Form 3  
 February 10, 2009

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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)

|  |   |  |  |   |   |
|--|---|--|--|---|---|
| <p>1. Name and Address of Reporting Person *</p> <p>Â BANK OF AMERICA CORP /DE/</p> <p>(Last) (First) (Middle)</p> <p>BANK OF AMERICA<br/>                 CORPORATE CENTER,Â 100<br/>                 N TRYON ST</p> <p>(Street)</p> <p>CHARLOTTE,Â NCÂ 28255</p> <p>(City) (State) (Zip)</p> | <p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>01/30/2009</p> | <p>3. Issuer Name and Ticker or Trading Symbol</p> <p>NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 [NZF]</p> | <p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p>___ Director ___X_ 10% Owner<br/>                 ___ Officer ___ Other<br/>                 (give title below) (specify below)</p> | <p>5. If Amendment, Date Original Filed(Month/Day/Year)</p> | <p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p>___ Form filed by One Reporting Person<br/>                 ___X_ Form filed by More than One Reporting Person</p> |
|--|---|--|--|---|---|

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|------------------------------------|--|---|--|
| Auction Rate Preferred             | 816 <sup>(1)</sup>                                       | I   | By Subsidiary  |

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|---|--|---------------------------|----------------------|--|
|---|---|--|---------------------------|----------------------|--|

| Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Price of Derivative Security | Derivative Security: Direct (D) or Indirect (I) |
|------------------|-----------------|-------|----------------------------|------------------------------|---|
|                  |                 |       |                            |                              |   |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| BANK OF AMERICA CORP /DE/<br>BANK OF AMERICA CORPORATE CENTER<br>100 N TRYON ST<br>CHARLOTTE, NC 28255      | ^             | ^ X       | ^       | ^     |
| BANK OF AMERICA NA<br>BANK OF AMERICA CORPORATE CENTER<br>100 N TRYON ST<br>CHARLOTTE, NC 28255             | ^             | ^ X       | ^       | ^     |
| MERRILL LYNCH, PIERCE, FENNER & SMITH INC.<br>4 WORLD FINANCIAL CENTER<br>NORTH TOWER<br>NEW YORK, NY 10080 | ^             | ^ X       | ^       | ^     |

## Signatures

|  |            |
|--|------------|
| /s/ Debra I. Cho, Senior Vice President, Bank of America Corporation               | 02/10/2009 |
| Signature of Reporting Person  | Date       |
| /s/ Debra I. Cho, Senior Vice President, Bank of America, NA                       | 02/10/2009 |
| Signature of Reporting Person  | Date       |
| /s/ Pia Thompson, Assistant Secretary, Merrill Lynch, Pierce, Fenner & Smith, Inc. | 02/10/2009 |
| Signature of Reporting Person  | Date       |

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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 1 represent 257 Shares beneficially owned by Merrill Lynch, Pierce, Fenner & Smith, Inc. ("MLPFS") and 559 Shares beneficially owned by Bank of America, N.A. ("BANA"). MLPFS and BANA are each indirect, wholly owned subsidiaries of Bank of America Corporation ("Bank of America").

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### Remarks:

The Shares reported herein represent Bank of America's combined holdings in multiple series of auction rate securities of the issuer, which are treated herein as one class of securities in accordance with the Securities-Global Exemptive Relief no-action letter issued by the Securities and Exchange Commission in 2008. Bank of America undertakes to provide upon request by the SEC, the issuer or a security holder complete information regarding the number of equity securities of the issuer purchased or sold at a date of all transactions in such securities that occurred after Bank of America became a 10% owner.

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Â thisÂ filing.

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

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