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NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3

Form 4

October 05, 2011

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB

OMB APPROVAL

3235-0287 Number:

January 31, Expires: 2005

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if no longer subject to Section 16. Form 4 or

Check this box

SECURITIES Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations

Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940

See Instruction

1(b).

(Print or Type Responses)

1. Name and CITIGROU	Address of Reporting UP INC	Person *	2. Issuer Name and Ticker or T Symbol	rading	5. Relationship of Reporting Person(s) to Issuer			
			NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 [NZF]					
(Last)	(First)	Middle)	3. Date of Earliest Transaction (Month/Day/Year)		Director Officer (give title below)	_X 10% Owner Other (specification)		
399 PARK AVENUE			10/04/2011					
	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)		6. Individual or Joint Applicable Line) _X_Form filed by One	1 0		
NEW YOR	RK, NY 10043				Form filed by More Person	1 0		
(City)	(State)	(Zip)	Table I - Non-Derivative Se	ecurities Acq	uired, Disposed of, o	r Beneficially Owne		
1.Title of	2. Transaction Date	2A. Deeme	ed 3. 4. Securities	s Acquired	5. Amount of 6.	7. Naturo		

. •		Tan	ne 1 - 14011-	Derivativ	e seci	mues Acq	un eu, Disposeu c	oi, of beneficia	any Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securion(A) or D (Instr. 3,	4 and (A) or	ed of (D)	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)
Auction Rate Preferred	10/04/2011		<u>J(1)</u>	239	D	\$ 25,000	306	I	By Subsidiary
Auction Rate Preferred	10/05/2011		<u>J(1)</u>	306	D	\$ 25,000	0	I	By Subsidiary

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

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

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number.

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

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Title	and	8. Price of	9. Nı
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	orNumber	Expiration D	ate	Amoun	nt of	Derivative	Deri
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underly	ying	Security	Secu
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securit	ies	(Instr. 5)	Bene
	Derivative				Securities			(Instr. 3	3 and 4)		Own
	Security				Acquired						Follo
	•				(A) or						Repo
					Disposed						Tran
					of (D)						(Inst
					(Instr. 3,						
					4, and 5)						
									Amount		
						Date	Expiration		or Number		
						Exercisable	Date		of		
				Codo V	(A) (D)						
				Coue v	(A) (D)			i i	Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
•	Director	10% Owner	Officer	Other			
CITIGROUP INC							
399 PARK AVENUE		X					
NEW YORK, NY 10043							

Signatures

Citigroup Inc., By: /s/ Ali L. Karshan, Assistant
Secretary

10/05/2011

**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) These Auction Preferred Shares ("Shares") were called for redemption by the issuer.
- The Shares reported in Table I represent Shares beneficially owned by Citigroup Global Markets Inc. ("CGMI"). Citigroup Financial
- (2) Products Inc. ("CFP") is the sole stockholder of CGMI. Citigroup Global Markets Holdings Inc. ("CGMH") is the sole stockholder of CFP. Citigroup Inc. is the sole stockholder of CGMH.

Remarks:

These Shares represent the Reporting Person's combined holdings in multiple series of auction preferred securities of the issue 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.

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