EXHIBIT 3

Bloomberg

BofA Says $10 Billion Is Top of Buybacks Forecast

By Andrew Frye - Jan 21, 2011

Bank of America Corp., which set aside $4.1 billion in the fourth quarter to resolve disputes over faulty mortgages, said it could cost as much as $7 billion to $10 billion more to resolve outstanding claims.

The forecast represents the "upper range" of future losses tied to bond insurers and private investors, the Charlotte, North Carolina-based bank said today in a slide presentation. The actual cost may depend on "legal and procedural hurdles" facing firms who want the bank to repurchase home loans it originated, Chief Financial Officer Charles Noski told analysts in a conference call.

Bank of America, the biggest U.S. bank by assets, has been battling accusations that mortgage investors were duped into buying loans issued with overstated property values and inflated borrowers' incomes. Noski said the size of the provision was appropriate after Betsy Graseck, an analyst at Morgan Stanley, asked why the company didn't set aside more for reserves, given the forecast range.

"This is a possible range, not a probable range," Noski said. The future loss "could be as low as zero, theoretically, up to a high end of the range that we think could be $7 billion to $10 billion, based upon an array of different assumptions."

The $4.1 billion provision drove a fourth-quarter loss and exceeded the $3 billion that the lender said on Jan. 3 would be needed for the period to settle disputes with U.S.-owned mortgage finance companies Fannie Mae and Freddie Mac. Resolving private-market demands, which include claims from mortgage investors and from bond insurers that issued coverage tied to the bank's loans, will probably be "a protracted process which could take years to conclude," Noski said.

Bond Insurers

Outstanding claims from bond insurers rose to $4.8 billion as of Dec. 31 from $4.3 billion on Sept. 30. Claims from investors other than U.S.-owned firms and bond insurers climbed 68 percent to $3.07 billion. The bank has said some of the losses suffered by its counterparties are the result of the economy rather than underwriting inaccuracies.

Demands from so-called monoline bond insurers "continue to grow as the monolines continue to submit claims and are generally unwilling to withdraw claims despite evidence refuting the claims," Bank of America said in the slide presentation.

Outstanding demands from government sponsored enterprises declined 59 percent to $2.82 billion on the settlements with Fannie Mae and Freddie Mac.

"That we put behind us," Chief Executive Officer Brian T. Moynihan said of the Fannie Mae and Freddie Mac claims on Bloomberg Television's "InsideTrack with Deirdre Bolton & Erik Schatzker." Demands from private investors and bond insurers will be dealt with in coming quarters, he said.

'Shareholder Interest'

"Our best guess is this will take a longer period of time, perhaps a few years," Moynihan said on the conference call."We're going to continue to make progress only if we can do it on a basis consistent with our shareholder interest."

The bank today posted a fourth-quarter net loss of $1.24 billion. The company dropped 29 cents, or 2 percent, to $14.25 at 4 p.m. in New York Stock Exchange composite trading.

Overall, new claims in the quarter were $5.75 billion. Bank of America approved purchases of $3.93 billion, and $4.11 billion in claims were rescinded. The bank had agreed to repurchases of $1.01 billion in the third quarter and $1.29 billion in the last three months of 2009.

In the last three months of 2010, buyback claims on loans made after 2008 were $105 million, or 1.8 percent of all new repurchase demands. That compares with $56 million, or 1.3 percent of the total, in the third quarter and $20 million, or 0.9 percent, in the final three months of 2009.

'Hand-to-Hand Combat'

Moynihan said in November the bank would engage in "hand-to-hand combat" to fend off unwarranted demands for compensation from mortgage investors and insurers that sold coverage on securities tied to the firm's loans. Bank of America, the second-largest U.S. mortgage originator after Wells Fargo & Co., said on Jan. 3 that it had received $21.6 billion in demands from Fannie Mae and Freddie Mac to repurchase soured home loans that were issued from 2004 to 2008.

JPMorgan Chase & Co., the No. 2 U.S. bank, put $1.5 billion in litigation reserves in the fourth quarter, predominantly for costs tied to buybacks. Wells Fargo set aside $464 million of provisions in the last three months of the year for repurchases. JPMorgan CEO Jamie Dimon called the outlook for litigation "a long, ugly mess" and said most new reserves were for private-label claims, which don't involve Fannie Mae or Freddie Mac.

"We will be talking about this for every quarter over the next three years," Dimon told analysts on a conference call on Jan. 14.

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