BANK OF AMERICA CORP /DE/
Form 424B2
November 25, 2015

Subject to Completion
Preliminary Term Sheet dated
November 25, 2015
Filed Pursuant to Rule 424(b)(2)
Registration Statement No. 333-202354
(To Prospectus dated May 1, 2015,
Prospectus Supplement dated May 4, 2015 and
Product Supplement STEPS-5 dated May 4, 2015)

Units
$10 principal amount per unit
CUSIP No.

Pricing Date*
Settlement Date*
Maturity Date*

December , 2015
December , 2015
December , 2016
*Subject to change based on the actual date the notes are priced for initial sale to the public (the "pricing date")
STEP Income Securities® Linked to
the Common Stock of D.R. Horton, Inc.

Maturity of approximately one year and one week

Interest payable quarterly at the rate of 10% per year

A payment of [$0.10 to $0.50] per unit if the Underlying Stock increases to or above 110% of the Starting Value

1-to-1 downside exposure to decreases in the Underlying Stock, with up to 100% of your principal at risk

All payments on the notes subject to the credit risk of Bank of America Corporation

Limited secondary market liquidity, with no exchange listing

The notes are being issued by Bank of America Corporation (BAC). There are important differences between the notes and a conventional debt security, including different investment risks and certain additional costs. See Risk Factors beginning on page TS-6 of this term sheet and beginning on page PS-6 of product supplement STEPS-5.
The initial estimated value of the notes as of the pricing date is expected to be between $9.45 and $9.70 per unit, which is less than the public offering price listed below. See Summary on the following page, Risk Factors beginning on page TS-6 of this term sheet and Structuring the Notes on page TS-10 of this term sheet for additional information. The actual value of your notes at any time will reflect many factors and cannot be predicted with accuracy.

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 (as defined below) is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Unit	Total
Public offering price(1)(2)(3)	$10.000	$
Underwriting discount(2)(3)	$0.175	$
Proceeds, before expenses, to BAC	$9.825	$

(1)
Plus accrued interest from the scheduled settlement date, if settlement occurs after that date.
(2)
For any purchase of 500,000 units or more in a single transaction by an individual investor or in combined transactions with the investor's household in this offering, the public offering price and the underwriting discount will be $9.950 per unit and $0.125 per unit, respectively. See Supplement to the Plan of Distribution; Conflicts of Interest below.
(3)
For any purchase by certain fee-based trusts and discretionary accounts managed by U.S. Trust operating through Bank of America, N.A., the public offering price and underwriting discount will be $9.825 per unit and $0.000 per unit, respectively.

The notes:
Are Not FDIC Insured
Are Not Bank Guaranteed
May Lose Value
Merrill Lynch & Co.
December , 2015

STEP Income **S**ecurities®
Linked to the Common Stock of D.R. Horton, Inc., due December , 2016
Summary

The **STEP** Income **S**ecurities® Linked to the Common Stock of D.R. Horton, Inc., due December , 2016 (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. Any payments due on the notes, including any repayment of principal, will be subject to the credit risk of BAC.** The notes provide quarterly interest payments. Additionally, if the Ending Value of the Underlying Stock, which is the common stock of D.R. Horton, Inc., is at or above the Step Level, the notes will also provide a payment of [$0.10 to $0.50] per unit at maturity. If the Ending Value is less than the Step Level and at or above the Threshold Value (which is equal to the Starting Value), the Redemption Amount will equal the principal amount. If the Ending Value is less than the Threshold Value, you will lose all or a portion of the principal amount of your notes. Payments on the notes, including the amount you receive at maturity, will be calculated based on the $10 principal amount per unit and will depend on the performance of the Underlying Stock, subject to our credit risk. See Terms of the Notes below.

The economic terms of the notes (including the Step Payment) are based on our internal funding rate, which is the rate we would pay to borrow funds through the issuance of market-linked notes and the economic terms of certain related hedging arrangements. Our internal funding rate is typically lower than the rate we would pay when we issue conventional fixed or floating rate debt securities. This difference in funding rate, as well as the underwriting discount and the hedging related charge described below, will reduce the economic terms of the notes to you and the initial estimated value of the notes on the pricing date. Due to these factors, the public offering price you pay to purchase the notes will be greater than the initial estimated value of the notes.

On the cover page of this term sheet, we have provided the initial estimated value range for the notes. This initial estimated value range was determined based on our and our affiliates' pricing models, which take into consideration our internal funding rate and the market prices for the hedging arrangements related to the notes. The initial estimated value of the notes calculated on the pricing date will be set forth in the final term sheet made available to investors in the notes. For more information about the initial estimated value and the structuring of the notes, see Structuring the Notes on page TS-10.

Terms of the Notes

Redemption Amount Determination

Issuer:
Bank of America Corporation (BAC)

In addition to interest payable, on the maturity date, you will receive a cash payment per unit determined as follows:

Principal Amount:
$10 per unit

Term:
Approximately one year and one week

Underlying Stock:
Common stock of D.R. Horton, Inc. (the Underlying Company) (NYSE symbol: DHI)

Starting Value:
The Volume Weighted Average Price on the pricing date.

Volume Weighted Average Price:
The volume weighted average price (rounded to two decimal places) shown on page AQR on Bloomberg L.P. for trading in shares of the Underlying Stock taking place from approximately 9:30 a.m. to 4:02 p.m. on all U.S. exchanges on the pricing date.

Ending Value:
The Closing Market Price of the Underlying Stock on the valuation date, multiplied by the Price Multiplier. The

valuation date is subject to postponement in the event of Market Disruption Events, as described beginning on page PS-19 of product supplement STEPS-5.
Valuation Date:
Approximately the fifth scheduled trading day immediately prior to the maturity date.
Interest Rate:
10% per year
Interest Payment Dates:
March , 2016, June , 2016, September , 2016 and December , 2016
Step Payment:
[$0.10 to $0.50] per unit, which represents a return of [1% to 5%] of the principal amount. The actual Step Payment will be determined on the pricing date.
Step Level:
110% of the Starting Value, rounded to two decimal places.
Threshold Value:
100% of the Starting Value.
Fees and Charges:
The underwriting discount of $0.175 per unit listed on the cover page and the hedging related charge of $0.075 per unit described in Structuring the Notes on page TS-10.
Price Multiplier:
1, subject to adjustment for certain corporate events relating to the Underlying Stock described beginning on page PS-20 of product supplement STEPS-5.
Calculation Agent:
Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S), a subsidiary of BAC.

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The terms and risks of the notes are contained in this term sheet and in the following:

Product supplement STEPS-5 dated May 4, 2015:
http://www.sec.gov/Archives/edgar/data/70858/000119312515168313/d887578d424b5.htm

Series L MTN prospectus supplement dated May 4, 2015 and prospectus dated May 1, 2015:
http://www.sec.gov/Archives/edgar/data/70858/000119312515167979/d865347d424b3.htm
These documents (together, the Note Prospectus) have been filed as part of a registration statement with the SEC, which may, without cost, be accessed on the SEC website as indicated above or obtained from MLPF&S by calling 1-800-294-1322.
Before you invest, you should read the Note Prospectus, including this term sheet, for information about us and this offering. Any prior or contemporaneous oral statements and any other written materials you may have received are superseded by the Note Prospectus. Capitalized terms used but not defined in this term sheet have the meanings set forth in product supplement STEPS-5. Unless otherwise indicated or unless the context requires otherwise, all references in this document to we, us, our, or similar references are to BAC.
Investor Considerations
You may wish to consider an investment in the notes if:
The notes may not be an appropriate investment for you if:

You anticipate that the Ending Value will be greater than or equal to the Starting Value.

You seek interest payments on your investment.

You accept that the maximum return on the notes is limited to the sum of the quarterly interest payments and the Step Payment, if any.

You accept that your investment may result in a loss, which could be significant, if the Ending Value is below the Threshold Value.

You are willing to forgo dividends or other benefits of owning shares of the Underlying Stock.

You are willing to accept a limited or no market for sales prior to maturity, and understand that the market prices for the notes, if any, will be affected by various factors, including our actual and perceived creditworthiness, our internal funding rate and fees and charges on the notes.

You are willing to assume our credit risk, as issuer of the notes, for all payments under the notes, including the Redemption Amount.

You anticipate that the Ending Value will be less than the Starting Value.

You anticipate that the price of the Underlying Stock will increase substantially and do not want a payment at maturity that is limited to the Step Payment.

You seek principal repayment or preservation of capital.

In addition to interest payments, you seek an additional guaranteed return above the principal amount.

You seek to receive dividends or other distributions paid on the Underlying Stock.

You seek an investment for which there will be a liquid secondary market.

You are unwilling or are unable to take market risk on the notes or to take our credit risk as issuer of the notes.
We urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

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Hypothetical Payments at Maturity

The following examples are for purposes of illustration only. They are based on **hypothetical** values and show **hypothetical** payments on the notes. **The actual amount you receive and the resulting return will depend on the actual Starting Value, Threshold Value, Ending Value, Step Level, Step Payment, and term of your investment.** The following examples do not take into account any tax consequences from investing in the notes. These examples are based on:

1) a Starting Value of 100;
2) a Threshold Value of 100 ;
3) a Step Level of 110;
4) a Step Payment of $0.30 per unit (the midpoint of the Step Payment range of [$0.10 to $0.50] per unit);
5) an expected term of the notes of approximately one year and one week; and
6) the interest rate of 10% per year.

The **hypothetical** Starting Value of 100.00 used in these examples has been chosen for illustrative purposes only, and does not represent a likely actual Starting Value of the Underlying Stock. For recent actual prices of the Underlying Stock, see The Underlying Stock section below. In addition, all payments on the notes are subject to issuer credit risk.

Example 1

The Ending Value is 115 (115% of the Starting Value)

The Ending Value is greater than the Step Level. Consequently, in addition to the quarterly interest payments, you will receive on the maturity date the principal amount of your notes plus the Step Payment of $0.30 per unit. The Redemption Amount per unit on the maturity date will therefore be equal to $10.30 per unit ($10.00 plus the Step Payment of $0.30 per unit).

Example 2

The Ending Value is 105 (105% of the Starting Value)

The Ending Value is greater than the Starting Value and the Threshold Value but below the Step Level. Consequently, you will receive the quarterly interest payments, but you will not receive the Step Payment on the maturity date. The Redemption Amount per unit on the maturity date will therefore be equal to $10.00.

Example 3

The Ending Value is 70 (70% of the Starting Value)

The Ending Value is less than the Starting Value and the Threshold Value. Consequently, you will receive the quarterly interest payments, but you will not receive the Step Payment on the maturity date, and you will participate on a 1-for-1 basis in the decrease in the price of the Underlying Stock. The Redemption Amount per unit will equal:

On the maturity date, you will receive the Redemption Amount per unit of $7.00

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Summary of the Hypothetical Examples
Example 1
Example 2
Example 3
The Ending Value is greater than or equal to the Step Level
The Ending Value is less than the Step Level but greater than or equal to the Threshold Value
The Ending Value is less than the Starting Value and the Threshold Value
Starting Value
100.00
100.00
100.00
Ending Value
115.00
105.00
70.00
Step Level
110.00
110.00
110.00
Threshold Value
100.00
100.00
100.00
Interest Rate (per year)
10.00%
10.00%
10.00%
Step Payment
$0.30
$0.00
$0.00
Redemption Amount per Unit
$10.30
$10.00
$7.00
Total Return of
the Underlying Stock (1)
16.03%
6.03%
-28.97%
Total Return on the Notes (2)
13.36%
10.36%
-19.64%
(1)
The total return of the Underlying Stock assumes:
(a)

the percentage change in the price of the Underlying Stock from the Starting Value to the Ending Value;
(b)
a constant dividend yield of 0.99% per year; and
(c)
no transaction fees or expenses.
(2)
The total return on the notes includes interest paid on the notes and assumes an expected term of the notes of approximately one year and one week.

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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 PS-6 of product supplement STEPS-5, page S-5 of the Series L MTN prospectus supplement, and page 9 of the prospectus identified above. We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

Depending on the performance of the Underlying Stock as measured shortly before the maturity date, your investment may result in a loss; there is no guaranteed return of principal.

Your return on the notes may be less than the yield you could earn by owning a conventional fixed or floating rate debt security of comparable maturity.

Payments on the notes are subject to our credit risk, and actual or perceived changes in our creditworthiness are expected to affect the value of the notes. If we become insolvent or are unable to pay our obligations, you may lose your entire investment.

You will not receive a Step Payment at maturity unless the Ending Value is greater than or equal to the Step Level.

Your investment return is limited to the return represented by the periodic interest payments over the term of the notes and the Step Payment, if any, and may be less than a comparable investment directly in the Underlying Stock.

The initial estimated value of the notes is an estimate only, determined as of a particular point in time by reference to our and our affiliates' pricing models. These pricing models consider certain assumptions and variables, including our credit spreads, our internal funding rate on the pricing date, mid-market terms on hedging transactions, expectations on interest rates and volatility, price-sensitivity analysis, and the expected term of the notes. These pricing models rely in part on certain forecasts about future events, which may prove to be incorrect.

The public offering price you pay for the notes will exceed the initial estimated value. If you attempt to sell the notes prior to maturity, their market value may be lower than the price you paid for them and lower than the initial estimated value. This is due to, among other things, changes in the price of the Underlying Stock, our internal funding rate, and the inclusion in the public offering price of the underwriting discount and the hedging related charge, all as further described in Structuring the Notes on page TS-10. These factors, together with various credit, market and economic factors over the term of the notes, are expected to reduce the price at which you may be able to sell the notes in any secondary market and will affect the value of the notes in complex and unpredictable ways.

The initial estimated value does not represent a minimum or maximum price at which we, MLPF&S or any of our affiliates would be willing to purchase your notes in any secondary market (if any exists) at any time. The value of your notes at any time after issuance will vary based on many factors that cannot be predicted with accuracy, including the performance of the Underlying Stock, our creditworthiness and changes in market conditions.

A trading market is not expected to develop for the notes. Neither we nor MLPF&S is obligated to make a market for, or to repurchase, the notes. There is no assurance that any party will be willing to purchase your notes at any price in any secondary market.

Our business activities as a full service financial institution, including our commercial and investment banking activities, our hedging and trading activities (including trading in shares of the Underlying Stock) and any hedging and trading activities we engage in for our clients' accounts, may affect the market value of the notes and their return and may create conflicts of interest with you.

The Underlying Company will have no obligations relating to the notes, and neither we nor MLPF&S will perform any due diligence procedures with respect to the Underlying Company in connection with this offering.

You will have no rights of a holder of the Underlying Stock, and you will not be entitled to receive shares of the Underlying Stock or dividends or other distributions by the Underlying Company.

While we or our affiliates may from time to time own securities of the Underlying Company, we do not control the Underlying Company, and are not responsible for any disclosure made by the Underlying Company.

The Redemption Amount will not be adjusted for all corporate events that could affect the Underlying Stock. See Description of the Notes—Anti-Dilution Adjustments beginning on page PS-20 of product supplement STEPS-5.

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 below and U.S. Federal Income Tax Summary beginning on page PS-28 of product supplement STEPS-5.

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