

BANK OF AMERICA CORP /DE/  
Form 424B3  
May 04, 2015

Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-202354

**PROSPECTUS**

**\$6,975,551,000**

**Bank of America Corporation InterNotes®**

We may offer to sell up to \$6,975,551,000 of our Bank of America Corporation InterNotes®, or the notes, from time to time. The specific terms of our InterNotes® will be determined prior to the time of sale and will be described in a separate supplement. You should read this prospectus and the applicable supplement carefully before you invest.

We may offer the notes to or through agents for resale. The applicable supplement will specify the purchase price, agent discounts and net proceeds for any particular offering of notes. The agents are not required to sell any specific amount of notes but will use their best efforts to sell the notes. We also may offer the notes directly. We have not set a date for termination of our offering of the notes.

The agents have advised us that from time to time they may purchase and sell notes in the secondary market, but they are not obligated to make a market in the notes and may suspend or completely stop that activity at any time. Unless otherwise indicated in the applicable supplement, the notes will not be listed on any stock exchange.

**Investing in the notes involves risks, including those described in the Risk Factors section beginning on page 7 of this prospectus.**

*Our notes are unsecured and are not savings accounts, deposits or other obligations of a bank. Our notes are not guaranteed by Bank of America, N.A. or any other bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.*

*Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.*

*Joint Lead Managers and Lead Agents*

**BofA Merrill Lynch**

**Incapital LLC**

*Agents*

**Citigroup**

**Morgan Stanley**

**Wells Fargo Advisors, LLC**

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Prospectus dated May 1, 2015

InterNotes® is a registered servicemark of Incapital Holdings LLC.

TABLE OF CONTENTS

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS</u>	3
<u>SUMMARY</u>	4
<u>RISK FACTORS</u>	7
<u>BANK OF AMERICA CORPORATION</u>	10
<u>USE OF PROCEEDS</u>	11
<u>DESCRIPTION OF NOTES</u>	11
<u>Payment of Principal and Interest</u>	13
<u>Interest and Interest Rates</u>	14
<u>Redemption and Repayment</u>	21
<u>Survivor's Option</u>	22
<u>Subordination</u>	24
<u>Sale or Issuance of Capital Stock of a Principal Subsidiary Bank</u>	25
<u>Waiver of Covenants</u>	25
<u>Limitation on Mergers and Sales of Assets</u>	25
<u>Modification of the Indentures</u>	26
<u>Meetings and Action by Noteholders</u>	26
<u>Defaults and Rights of Acceleration</u>	26
<u>Collection of Indebtedness</u>	26
	<b>Page</b>
<u>Reopening</u>	27
<u>Notices</u>	27
<u>Concerning the Trustees</u>	27
<u>REGISTRATION AND SETTLEMENT</u>	27
<u>Book-Entry System</u>	27
<u>The Depository Trust Company</u>	28
<u>Registration, Transfer and Payment of Certificated Notes</u>	30
<u>TAX CONSEQUENCES TO U.S. HOLDERS</u>	30
<u>ERISA CONSIDERATIONS</u>	39
<u>PLAN OF DISTRIBUTION AND CONFLICTS OF INTEREST</u>	41
<u>Conflicts of Interest</u>	43
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	43
<u>FORWARD-LOOKING STATEMENTS</u>	44
<u>LEGAL MATTERS</u>	44
<u>EXPERTS</u>	45

## ABOUT THIS PROSPECTUS

This document is a prospectus and is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC.

This prospectus describes all material terms of the notes we may offer in connection with the Bank of America Corporation InterNotes® program that are known as of the date of this prospectus. We may offer to sell up to \$6,975,551,000 of these InterNotes® from time to time in various offerings. While we have various notes and other evidence of indebtedness outstanding, references in this prospectus to notes are to the Bank of America Corporation InterNotes® only.

The specific terms and conditions of the notes being offered will be described in a pricing supplement or a prospectus supplement, each of which we refer to in this prospectus as a supplement. A copy of that supplement will be provided to you along with a copy of this prospectus. That supplement may add to, update or change information in this prospectus. If there is any inconsistency between the information in this prospectus and the applicable supplement, you should rely on the information in the applicable supplement. You should read both this prospectus and the applicable supplement together with the additional information that is incorporated by reference in this prospectus. That additional information is described under the heading Where You Can Find More Information beginning on page 43 of this prospectus.

You should rely only on the information provided in this prospectus and the applicable supplement, including the information incorporated by reference. Neither we,

nor any agents or dealers, have authorized anyone to provide you with different information. We are not offering the notes in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus or any supplement is accurate as of any date other than the date indicated on the cover page of that document.

The agents will receive a gross selling concession in the form of a discount based on the non-discounted price for each note sold. In this capacity, none of the agents is your fiduciary or advisor, and you should not rely upon any communication from any of the agents in connection with the notes as investment advice or as a recommendation to purchase the notes. You should make your own investment decision regarding the notes after consulting with your legal, tax and other advisors.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to we, us, our or similar references are to Bank of America Corporation excluding its consolidated subsidiaries. References in this prospectus to U.S. dollars, U.S.\$ or \$ are to the currency of the United States of America.

Affiliates of Bank of America Corporation, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, may use this prospectus in connection with offers and sales in the secondary market of Bank of America Corporation InterNotes®. These affiliates may act as principal or agent in those transactions. Secondary market sales made by them will be made at prices related to market prices at the time of sale.

**SUMMARY**

*This section highlights some of the legal and financial terms of the notes that are described in more detail in the section entitled "Description of Notes" beginning on page 11 and elsewhere in this prospectus. Final terms of any particular notes will be determined at the time of sale and will be contained in the supplement relating to those notes. The terms in that supplement may vary from and supersede the terms contained in this prospectus. Before you decide to purchase any notes, you should read the more detailed information appearing elsewhere in this prospectus and in the applicable supplement.*

Issuer Bank of America Corporation  
Bank of America Corporate Center, 100 North Tryon Street, Charlotte,

North Carolina 28255; telephone: (704) 386-5681

Purchasing Agent Incapital LLC

Joint Lead Managers and Lead Agents Merrill Lynch, Pierce, Fenner & Smith Incorporated and Incapital LLC

Agents Citigroup Global Markets Inc.  
Morgan Stanley & Co. LLC

Wells Fargo Advisors, LLC

Title of Notes Bank of America Corporation InterNotes®

Affiliates and Conflicts of Interest Bank of America Corporation is the indirect parent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, one of two Joint Lead Managers and a Lead Agent. Additional details of this relationship are disclosed in the section entitled "Plan of Distribution and Conflicts of Interest" beginning on page 41.

Amount We may offer to sell from time to time in various offerings up to \$6,975,551,000 of notes.

Denominations The notes will be issued and sold in denominations of \$1,000 and multiples of \$1,000 or in any other denomination provided in the applicable supplement.

Status The notes will be our direct unsecured obligations. Each supplement will state whether the notes will be senior or subordinated debt. Senior notes will rank equally with our other unsecured and unsubordinated debt, other than unsecured and unsubordinated debt subject to priorities or preferences by law, and subordinated notes will rank equally with our other unsecured and subordinated debt, other than unsecured and subordinated debt that by its terms is subordinated to the subordinated notes. Subordinated notes will be subordinate and junior in right of payment to our existing and future senior debt to the extent and in the manner provided in the Subordinated Indenture (as defined below). See "Description of Notes" Subordination beginning

on page 24. As of March 31, 2015, on a non-consolidated basis we had approximately \$142 billion of senior long-term debt and certain short-term borrowings. Senior indebtedness also includes our obligations under letters of credit, guarantees, foreign exchange contracts and interest rate swap contracts, none of which are included in such amount. In addition, holders of subordinated notes may be fully subordinated to interests held by the U.S. government in the event that we enter into a receivership, insolvency, liquidation or similar proceeding. Although we are a bank holding company, the notes are not savings accounts or deposits in our subsidiary, Bank of America, N.A., are not guaranteed by Bank of America, N.A. or any other bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Holders of Subordinated Notes Have Limited Acceleration Rights	Payment of principal of our subordinated notes may not be accelerated if there is a default in the payment of principal, any premium, interest or other amounts or in the performance of any of our other indenture covenants.
Maturities	Each note will mature nine months or more from its issue date.
Interest	<p> Each interest-bearing note will accrue interest from its issue date at a fixed rate or a floating rate. We also may issue notes with a rate of return, including principal, premium, if any, interest or other amounts payable, if any, that is determined by reference, either directly or indirectly, to the price, performance or levels of one or more securities, currencies or composite currencies, commodities, interest rates, inflation rates, stock or other indices, or other financial or market measures, formulae or reference assets, or any combination of the above, as specified in the applicable supplement.</p> <p> Interest on each interest-bearing note will be payable either monthly, quarterly, semi-annually or annually on each interest payment date and on the maturity date, as specified in the applicable supplement. If a note is redeemed or repurchased prior to maturity, interest also will be paid on the date of redemption or repayment.</p>
Principal	The principal amount of each note will be payable on its maturity date at the corporate trust office of the paying agent or at any other place we may designate. If, however, a note is redeemed or repurchased prior to maturity, the principal amount of the note will be paid on the date of redemption or repayment.
Redemption and Repayment	Unless we provide otherwise in the applicable supplement, the notes will not be redeemable at our option or repayable at the option of the holder prior to the maturity date. The notes will be unsecured and will not be subject to any sinking fund.
Survivor's Option	Specific notes may contain a provision that requires us, upon request by the authorized representative of the beneficial owner of the notes, to repay those notes prior to maturity following the death of the beneficial owner of the notes, so long as the notes were acquired by the deceased beneficial owner at least six months prior to the request. This feature is referred to as the Survivor's Option. Your notes may not be repaid in this manner unless the supplement for your notes provides for the Survivor's Option. The right to exercise the Survivor's Option will be subject to limits set by us on (1) the permitted dollar amount of total exercises by all holders of all notes in any calendar year and (2) the permitted dollar amount of an individual exercise by a holder of a note in any calendar year. Additional details relating to this right are described in the section entitled "Description of Notes - Survivor's Option" beginning on page 22.
Sale and Clearance	We will sell notes in the United States only. Notes will be issued in book-entry only form and clear through the facilities of The Depository Trust Company. We do not intend to issue notes in certificated or definitive form.
Trustee	The trustee for the notes is The Bank of New York Mellon Trust Company, N.A., 10161 Centurion Parkway, Jacksonville, Florida 32256, under separate amended and restated indentures, each dated as of July 1, 2001, as amended or supplemented from time to time. The trustee also is the initial paying agent and calculation agent for the notes.





Selling Group

The agents and dealers comprising the selling group are broker-dealers and securities firms. The agents, including the Purchasing Agent, will enter into an Amended and Restated Selling Agent Agreement with us. Dealers who are members of the selling group have executed a Master Selected Dealer Agreement with the Purchasing Agent. You may contact the Purchasing Agent by telephone at 1-800-289-6689 or by email at info@incapital.com for a list of selling group members.

Ratio of Earnings to Fixed Charges

The following table sets forth our consolidated ratios of earnings to fixed charges for the periods indicated.

	Three Months Ended		Year Ended December 31			
	March 31, 2015	2014	2013	2012	2011	2010
Ratio of earnings to fixed charges (excluding interest on deposits) <sup>1</sup>	2.86	1.61	2.29	1.21	1.02	.99
Ratio of earnings to fixed charges (including interest on deposits) <sup>1</sup>	2.71	1.55	2.16	1.18	1.02	1.00

<sup>1</sup> The earnings for 2010 were inadequate to cover fixed charges. The earnings deficiency is a result of \$12.4 billion of goodwill impairment charges during 2010. The coverage deficiency for fixed charges was \$113 million for 2010.

## RISK FACTORS

Your investment in the notes will involve risks. This section summarizes some specific risks and investment considerations with respect to an investment in the notes. This prospectus does not describe all of those risks and investment considerations, including risks and considerations relating to your particular circumstances. Neither we nor the agents are responsible for advising you of these risks now or as they may change in the future.

In consultation with your own financial, tax and legal advisors, you should consider carefully the following discussion of risks, among other matters, before deciding whether an investment in the notes is suitable for you. The notes are not an appropriate investment for you if you are not knowledgeable about significant features of the notes or financial matters in general. You should not purchase notes unless you understand and know you can bear these investment risks.

For information about risks and uncertainties that may materially affect our business and results, please refer to the information under the captions Item 1A. Risk Factors and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our annual report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference in this prospectus, as well as those risks and uncertainties discussed in our subsequent filings with the SEC that are incorporated by reference in this prospectus.

*We may choose to redeem notes when prevailing interest rates are relatively low.*

If your notes are redeemable at our option, we may choose to redeem your notes from time to time. Prevailing interest rates at the time we redeem your notes likely would be lower than the interest rate borne by your notes. If prevailing interest rates are lower when we elect to redeem your notes, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest

rate on the notes being redeemed. Our redemption right also may adversely impact your ability to sell your notes as our redemption date approaches.

*We cannot assure you that a trading market for your notes will ever develop or be maintained.*

Unless otherwise specified in the applicable supplement, the notes will not be listed on any securities exchange. We cannot predict how the notes will trade in the secondary market or whether that market will be liquid or illiquid. We cannot assure you that a trading market for your notes will ever develop or be maintained, which may limit your ability to sell your notes prior to maturity.

To the extent that the agents engage in any market-making activities, they may bid for or offer notes. Any price at which the agents may bid for, offer, purchase or sell any notes may differ from the values determined by pricing models that may be used by any agent, whether as a result of dealer discounts, mark-ups or other transaction costs. These bids, offers or completed transactions may affect the prices, if any, at which the notes might otherwise trade in the market.

In addition, if at any time the agents were to cease acting as a market maker, it is likely that there would be significantly less liquidity in the secondary market, in which case the price at which the notes could be sold likely would be lower than if an active market existed.

*If you attempt to sell your notes prior to maturity, the market value of the notes, if any, may be less than the principal amount of the notes.*

Unlike savings accounts, certificates of deposit and other similar investment products, your right to redeem the notes prior to maturity may be limited to a valid exercise of the Survivor's Option. If you wish to liquidate your investment in the notes prior to maturity, selling your notes may be your only option. At that time, there may be a very illiquid market for the notes or no market at all. Even if you were able to sell your notes, there are many factors outside of our control that may affect the market value of the notes, some of these fac-

tors, but not all, are stated below. Some of these factors are interrelated in complex ways and, as a result, the effect of any one factor may be offset or magnified by the effect of another factor. Those factors include, without limitation:

the method of calculating the principal, premium, if any, interest or other amounts payable, if any, on the notes;

the time remaining to the maturity of the notes;

the aggregate outstanding amount of the notes;

the redemption or repayment features of the notes;

the level, direction and volatility of interest rates generally;

general economic conditions of the capital markets in the United States;

geopolitical conditions and other financial, political, regulatory and judicial events that affect the stock markets generally; and

any market-making activities with respect to the notes.

There may be a limited number of buyers when you decide to sell your notes. This may affect the price you receive for your notes or your ability to sell your notes at all.

For indexed notes that have very specific investment objectives or strategies, the applicable trading market may be more limited, and the price may be more volatile, than for other notes. The market value of indexed notes may be adversely affected by the complexity of the payout formula and volatility of the applicable reference asset or market measure, including any dividend rates or yields of other securities, financial instruments or indices that relate to the indexed notes. Moreover, the market value of indexed notes could be adversely affected by changes in the amount of outstanding debt, equity or other securities linked to the underlying reference asset, market measure or formula applicable to the indexed notes.

*Floating-rate notes bear additional risks.*

If your notes bear interest at a floating rate, there will be additional significant risks not associated with a conventional fixed-rate debt security. These risks include fluctuation of the interest rates and the possibility that you will receive an amount of interest that is lower than expected. We have no control over a number of matters, including economic, financial and political events, that are important in determining the existence, magnitude and longevity of market volatility and other risks and their impact on the value of, or payments made on, your floating-rate notes. In recent years, interest rates have been volatile, and that volatility may be expected in the future.

*Any Survivor's Option may be limited in amount.*

We will have the discretionary right to limit the aggregate principal amount of notes subject to any Survivor's Option that may be exercised in any calendar year to an amount equal to the greater of \$2,000,000 or 2% of the principal amount of all notes outstanding as of the end of the most recent calendar year. We also have the discretionary right to limit to \$250,000 in any calendar year the aggregate principal amount of notes subject to the Survivor's Option that may be exercised in such calendar year on behalf of any individual deceased beneficial owner of the notes. Accordingly, no assurance can be given that the Survivor's Option for a desired amount will be permitted in any single calendar year.

*Our obligations under subordinated notes will be subordinated.*

Holders of subordinated notes should recognize that contractual provisions in the Subordinated Indenture may prohibit us from making payments on the subordinated notes. The subordinated notes are unsecured and subordinate and junior in right of payment to all of our senior indebtedness (as defined in the Subordinated Indenture), to the extent and in the manner provided in the Subordinated Indenture. In addition, the subordinated notes may be fully subordinated to interests held by the U.S. government in the event we enter into a

receivership, insolvency, liquidation or similar proceedings. For additional information regarding the subordination provisions applicable to the subordinated notes, see [Description of Debt Securities Subordination](#) on page 24.

*Subordinated notes have limited acceleration rights.*

Holders of subordinated notes may accelerate payment of their notes only upon our voluntary or involuntary bankruptcy. If you purchase the subordinated notes, you will have no right to accelerate the payment of the notes if we fail to pay interest on the notes or if we fail in the performance of any of our other obligations under the subordinated notes.

*Our hedging activities may affect your return at maturity and the market value of the notes.*

At any time, we or our affiliates may engage in hedging activities relating to the notes. This hedging activity, in turn, may increase or decrease the market value of the notes. In addition, we or our affiliates may acquire a long or short position in the notes from time to time. All or a portion of these positions may be liquidated at or about the time of maturity of the notes. The aggregate amount and the composition of these positions are likely to vary over time. We have no reason to believe that any of our hedging activities will have a material effect on the notes, either directly or indirectly, by impacting the value of the notes. However, we cannot assure you that our activities or affiliates' activities will not affect these values.

*Our hedging and trading activities may create conflicts of interest with you.*

From time to time during the term of each series of notes and in connection with the determination of the yield on the notes, we or our affiliates may enter into additional hedging transactions or adjust or close out existing hedging transactions. We or our affiliates also may enter into hedging transactions relating to other notes or instruments that we issue, some of which may have returns calculated in a manner related to that of a particular series of notes. We or our affiliates will price

these hedging transactions with the intent to realize a profit, considering the risks inherent in these hedging activities, whether the value of the notes increases or decreases. However, these hedging activities may result in a profit that is more or less than initially expected, or could result in a loss.

We or one or more of our affiliates, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, may engage in trading activities that are not for your account or on your behalf. These trading activities may present a conflict of interest between your interest in the notes and the interests we and our affiliates may have in our proprietary accounts, in facilitating transactions, including block trades, for our other customers, and in accounts under our management. These trading activities, if they influence the market measure or other reference asset (if any) for the notes or secondary trading (if any) in the notes, could be adverse to your interests as a beneficial owner of the notes.

*Changes in our credit ratings may affect the market value of the notes.*

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, our perceived creditworthiness and actual or anticipated changes in our credit ratings may affect the market value of the notes. However, because your return on the notes depends upon factors in addition to our ability to pay our obligations, an improvement in our credit ratings will not reduce the other investment risks, if any, related to the notes.

*The market value of the notes may be affected by factors in addition to credit ratings.*

The notes could trade at prices that may be lower than their initial offering price. In addition to credit ratings that are assigned to the notes, whether or not the notes will trade at lower prices depends on various factors, including prevailing interest rates and markets for similar securities, our financial condition and future prospects and general economic conditions. Further, any credit ratings that are assigned to the notes may not

reflect the potential impact of all risks on their market value.

*Holders of indexed notes are subject to important risks that are not associated with more conventional debt securities.*

If you invest in indexed notes, you will be subject to significant additional risks not associated with conventional fixed-rate or floating-rate debt securities. These risks include the possibility that the applicable reference asset or market measure may be subject to fluctuations, and the possibility that you will receive a lower, or no, amount of principal, premium or interest, and at different times, than expected. In recent years, many securities, currencies, commodities, interest rates, inflation rates, indices and other market measures have experienced volatility, and this volatility may be expected in the future. However, past experience is not necessarily indicative of what may occur in the future. We have no control over a number of matters, including economic, financial and political events, that are important in determining the existence, magnitude and longevity of market volatility and other risks and their impact on the value of, or payments made on, your indexed notes. Further, you should assume that there is no statutory, judicial, or administrative authority that addresses the characterization of some types of indexed notes for U.S. federal or other income tax purposes. As a result, the income tax consequences of an investment in indexed notes are not certain.

In considering whether to purchase indexed notes, you should be aware that the calculation of amounts payable on indexed notes may involve reference to a market measure determined by one or our affiliates or prices or values that are published solely by third parties or entities which are not regulated by the laws of the United States. Additional risks that you should consider in connection with an investment in indexed notes will be set forth in the applicable supplement for those indexed notes.

*Our ability to make payments on the notes depends upon the results of operations of our subsidiaries.*

As a holding company, we conduct substantially all of our operations through our subsidiaries and depend on

dividends, distributions and other payments from our banking and nonbank subsidiaries to fund payments on our obligations, including the notes. Many of our subsidiaries, including our bank and broker-dealer subsidiaries, are subject to laws that restrict dividend payments or authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to us or to our other subsidiaries. In addition, our bank and broker-dealer subsidiaries are subject to restrictions on their ability to lend or transact with affiliates and to minimum regulatory capital and liquidity requirements. These restrictions could prevent those subsidiaries from making distributions to us or otherwise providing cash to us that we need in order to make payments on the notes.

*The notes will be structurally subordinated to liabilities of our subsidiaries.*

Because we are a holding company, our right to participate in any distribution of assets of any subsidiary upon such subsidiary's liquidation or reorganization or otherwise is subject to the prior claims of creditors of that subsidiary, except to the extent we may ourselves be recognized as a creditor of that subsidiary. As a result, our obligations under the notes will be structurally subordinated to all existing and future liabilities of our subsidiaries, and claimants should look only to our assets for payments.

## **BANK OF AMERICA CORPORATION**

Bank of America Corporation is a Delaware corporation, a bank holding company and a financial holding company. Our principal executive offices are located in the Bank of America Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255, and our telephone number is (704) 386-5681. Through our banking and various nonbank subsidiaries throughout the United States and in certain international markets, we provide a diversified range of banking and nonbank financial services and products.

## USE OF PROCEEDS

Unless we describe a different use in the applicable supplement, we will use the net proceeds from the sale of the notes for general corporate purposes. General corporate purposes include, but are not limited to, the following:

our working capital needs;

the funding of investments in, or extensions of credit to, our subsidiaries;

possible investments in, or acquisitions of assets and liabilities of, other financial institutions or other businesses;

possible reduction, redemptions, or repurchases of outstanding indebtedness;

possible repayments on outstanding indebtedness; and

other uses in the ordinary course of conducting our business.

Until we designate the use of these net proceeds, we will invest them temporarily. From time to time, we may engage in additional financings as we determine appropriate based on our needs and prevailing market conditions. These additional financings may include the sale of other notes and securities.

## DESCRIPTION OF NOTES

Our senior notes will be issued under an amended and restated indenture dated as of July 1, 2001, as amended or supplemented from time to time (the "Senior Indenture"), between us and The Bank of New York Mellon Trust Company, N.A. (formerly The Bank of New York Trust Company, N.A.), as successor trustee to The Bank of New York. Our subordinated notes will be issued under an amended and restated indenture dated as of July 1, 2001, as amended or supplemented from time to time (the "Subordinated Indenture," and together with the Senior Indenture, the "Indentures"), between us and The Bank of New York Mellon Trust

Company, N.A. (formerly The Bank of New York Trust Company, N.A.), as successor trustee to The Bank of New York. The Indentures are subject to, and governed by, the Trust Indenture Act of 1939. General terms and provisions of the Indentures and the notes are summarized below. For additional information about the terms and provisions of the notes and the Indentures, you should review the actual notes and the Indentures, which are on file with the SEC. You also may review the Indentures at the offices of The Bank of New York Mellon Trust Company, N.A. at the address indicated in the section entitled "Summary" beginning on page 4. Whenever we refer to particular provisions of the Indentures or the defined terms contained in the Indentures, those provisions and defined terms are incorporated by reference in this prospectus and any applicable supplement.

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The Indentures do not limit the amount of additional indebtedness that we may incur. Accordingly, without the consent of the holders of the notes, we may issue indebtedness under the Indentures in addition to the notes offered by this prospectus.

We may issue notes that bear interest at a fixed rate described in the applicable supplement. We refer to these notes as fixed-rate notes. We may issue notes that bear interest at a floating rate of interest determined by reference to one or more interest rate bases, or by reference to one or more interest rate formulae, described in the applicable supplement. We refer to these notes as floating-rate notes. In some cases, the interest rate of a floating-rate note also may be adjusted by adding or subtracting a spread or by multiplying the interest rate by a spread multiplier. A floating-rate note also may be subject to a maximum interest rate limit, or ceiling, and/or a minimum interest rate limit, or floor, on the rate of interest and/or the interest that may accrue during any interest period.

We also may issue notes that provide that the rate of return, including the principal, premium, if any, interest or other amounts payable, if any, is determined by reference, either directly or indirectly, to the price, per-



formance or levels of one or more securities, currencies or composite currencies, commodities, interest rates, inflation rates, stock or other indices, or other financial or market measures, formulae or reference assets, or any combination of the above, in each case as specified in the applicable supplement. We refer to these notes as indexed notes.

We will identify the calculation agent for any floating-rate notes or indexed notes in the applicable supplement. The calculation agent will be responsible for calculating the interest rate, reference rates, principal, premium, if any, interest or other amounts payable, if any, applicable to the floating-rate notes or indexed notes, as the case may be, and for certain other related matters. The calculation agent, at the request of the holder of any floating-rate note, will provide the interest rate then in effect and, if already determined, the interest rate that is to take effect on the next interest reset date, as described below, for the floating-rate note. We may replace any calculation agent or elect to act as the calculation agent for some or all of the notes, and the calculation agent also may resign.

Notes issued in accordance with this prospectus supplement and the applicable supplement will have the following general characteristics:

The notes will be our direct unsecured obligations. Each supplement will state whether the notes are senior or subordinated debt. Senior notes will rank equally with all of our other unsecured and unsubordinated debt, other than unsecured and unsubordinated debt subject to priorities or preferences by law, and subordinated notes will rank equally with all of our other unsecured and subordinated debt, other than unsecured and subordinated debt that by its terms is subordinated to the subordinated notes. Subordinated notes will be subordinate and junior in right of payment to our existing and future senior debt to the extent and in the manner provided in the Subordinated Indenture. Unless otherwise specified in the applicable supplement, the subordinated notes will not be guaranteed by us or any of our affiliates and will not be subject to any other arrangement that legally or economically enhances the ranking of the subordinated notes.

The notes may be offered from time to time by us through the Purchasing Agent and each note will mature on a day that is nine months or more from its issue date. We also may offer the notes directly.

The notes will bear interest from their respective issue dates at a fixed or a floating rate, or the notes will have a rate of return, including principal, premium, if any, interest or other amounts payable, if any, that is determined by reference, either directly or indirectly, to the price, performance or levels of one or more securities, currencies or composite currencies, commodities, interest rates, inflation rates, stock or other indices, or other formulae, financial or market measures or reference assets, or any combination of the above, as specified in the applicable supplement.

The notes will not be subject to any sinking fund.

The notes will be issued in minimum denominations of \$1,000, and in multiples of \$1,000, unless another denomination is stated in the applicable supplement.

In addition, the supplement relating to each offering of notes will describe specific terms of the notes, including:

the principal amount of the notes offered;

the price, which may be expressed as a percentage of the aggregate initial public offering price of the notes, at which the notes will be issued to the public;

the Purchasing Agent's concession;

the net proceeds to us;

the date on which the notes will be issued to the public;

the stated maturity date of the notes;

whether the notes are fixed-rate notes, floating-rate notes or indexed notes;

whether the notes are senior or subordinated;

the method of determining and paying interest, including any interest rate basis or bases, any initial

interest rate or method for determining any initial interest rate, any interest reset dates, any interest payment dates, any index maturity, and any maximum or minimum interest rate, as applicable;

any spread or spread multiplier applicable to floating-rate notes or indexed notes;

the method for the calculation and payment of principal, premium, if any, interest or other amounts payable, if any;

the interest payment frequency;

whether the Survivor's Option described on page 22 will be applicable;

if we decide to list any notes on a stock exchange, we will specify the exchange;

if the notes may be redeemed at our option or repaid at the option of the holder prior to their maturity date and the provisions relating to such redemption or repayment;

any special U.S. federal income tax consequences of the purchase, ownership and disposition of the notes; and

any other material terms of the notes that are different from those described in this prospectus and that are not inconsistent with the provisions of the applicable Indenture.

Because we are a holding company, our right to participate in any distribution of assets of any subsidiary upon such subsidiary's liquidation or reorganization or otherwise is subject to the prior claims of creditors of that subsidiary, except to the extent we may ourselves be recognized as a creditor of that subsidiary. As a result, our obligations under the notes will be structurally subordinated to all existing and future liabilities of our subsidiaries, and claimants should look only to our assets for payments.

### **Payment of Principal and Interest**

Principal, premium, if any, interest or other amounts payable, if any, on the notes will be paid to owners of a beneficial interest in the notes in accordance with the arrangements then in place between the paying agent

and The Depository Trust Company (referred to as "DTC"), as the depository, and its participants as described under the section entitled "Registration and Settlement" beginning on page 27. Interest on each note will be payable either monthly, quarterly, semi-annually or annually on each interest payment date and at maturity, or on the date of redemption or repayment if a note is redeemed or repaid prior to maturity. Unless otherwise specified in the applicable supplement, if the interest payment date or maturity date for a fixed-rate note falls on a day that is not a Business Day (as defined below), the payment will be made on the next succeeding Business Day, and no additional interest will accrue in respect of the amount payable on that next Business Day for the period from and after the interest payment date or the maturity date, as the case may be. Unless otherwise specified in the applicable supplement, if the interest payment date for a floating-rate note falls on a day that is not a Business Day, the payment will be made on the next succeeding Business Day. However, unless otherwise specified in the applicable supplement, if an interest payment date for a LIBOR note (as described below) falls on a day that is not a Business Day, and the next Business Day is in the next calendar month, then the interest payment date will be the immediately preceding Business Day. In each case, except for an interest payment date falling on the maturity date, the interest periods and the interest reset dates for the floating-rate note will be adjusted accordingly to calculate the amount of interest payable on that floating-rate note. Unless otherwise specified in the applicable supplement, if the maturity date for a floating-rate note falls on a day that is not a Business Day, the payment will be made on the next succeeding Business Day, and no additional interest will accrue in respect of the amount payable on the next succeeding Business Day for the period from and after the maturity date.

Unless we specify otherwise in the applicable supplement, "Business Day" means any weekday that is (1) not a legal holiday in New York, New York or Charlotte, North Carolina, (2) not a day on which banking



institutions in those cities are authorized or required by law or regulation to be closed and (3) for LIBOR notes, also is a London Banking Day. A London Banking Day means any day on which commercial banks are open for business (including dealings in U.S. dollars) in London, England.

Unless otherwise indicated in the applicable supplement, interest payments will include interest accrued from the most recent interest payment date to which interest has been paid or, if no interest has been paid, from the issue date, to, but excluding, the next interest payment date or the maturity date, as the case may be.

Interest will be payable to the person in whose name a note is registered at the close of business on the regular record date before each interest payment date. Interest payable at maturity, on a date of redemption or repayment or in connection with the exercise of a Survivor's Option will be payable to the person to whom principal is payable. Unless otherwise specified in the applicable supplement, the regular record date for an interest payment date will be the first day of the calendar month in which the interest payment date occurs, whether or not that day is a Business Day. The principal and interest payable at maturity will be paid to the person in whose name the note is registered at the time of payment.

We will pay any administrative costs imposed by banks in connection with making payments in immediately available funds, but any tax, assessment or governmental charge imposed upon any payments, including, without limitation, any withholding tax, will be the responsibility of the holders of beneficial interests in the notes in respect of which such payments are made.

### Interest and Interest Rates

#### *Fixed-Rate Notes*

Each fixed-rate note will begin to accrue interest on its issue date and continue to accrue interest until its stated maturity date or earlier redemption or repayment. The applicable supplement will specify a fixed interest

rate per year payable monthly, quarterly, semi-annually or annually. Unless otherwise specified in the applicable supplement, interest on the fixed-rate notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Interest on the fixed-rate notes will be paid as follows:

#### *Interest Payment*

##### *Frequency*

Monthly

Quarterly

Semi-annually

Annually

##### *Interest Payment Dates*

Fifteenth day of each calendar month, beginning in the first calendar month following the month in which the note was issued.

Fifteenth day of every third month, beginning in the third calendar month following the month in which the note was issued.

Fifteenth day of every sixth month, beginning in the sixth calendar month following the month in which the note was issued.

Fifteenth day of every twelfth month, beginning in the twelfth calendar month following the month in which the note was issued.

#### *Floating-Rate Notes*

*Interest Rate Bases.* Each floating-rate note will have an interest rate basis or formula, which may be based on:

the federal funds rate, in which case the note will be a federal funds rate note;

the London interbank offered rate, in which case the note will be a LIBOR note;

the prime rate, in which case the note will be a prime rate note;

the treasury rate, in which case the note will be a treasury rate note; or