

BANK OF AMERICA CORP /DE/
Form 424B2
February 23, 2017
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**Filed Pursuant to Rule 424(b)(2)
Registration No. 333-202354**

Medium-Term Notes, Series M

We may offer from time to time our Bank of America Corporation Medium-Term Notes, Series M. The specific terms of any notes that we offer will be determined before each sale and will be described in a separate pricing supplement, prospectus addendum and/or other prospectus supplement (each, a supplement). Terms may include:

Priority: senior or subordinated

Interest rate: notes may bear interest at fixed or floating rates, or may not bear any interest

Base floating rates of interest:

i funds rate

i LIBOR

i EURIBOR

i prime rate

i treasury rate

i any other rate we specify

Maturity: 365 days (one year) or more

Indexed notes: principal, premium (if any), interest payments, or other amounts payable (if any) linked, either directly or indirectly, to the price or performance of one or more market measures

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Payments: U.S. dollars or any other currency that we specify in the applicable supplement

We may sell notes to the selling agents as principal for resale at varying or fixed offering prices or through the selling agents as agents using their best efforts on our behalf. We also may sell the notes directly to investors.

We may use this prospectus supplement and the accompanying prospectus in the initial sale of any notes. In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated, or any of our other broker-dealer affiliates, may use this prospectus supplement and the accompanying prospectus in a market-making transaction in any notes after their initial sale. Unless we or one of our selling agents informs you otherwise in the confirmation of sale, this prospectus supplement and the accompanying prospectus are being used in a market-making transaction.

Unless otherwise specified in the applicable supplement, we do not intend to list the notes on any securities exchange.

Investing in the notes involves risks. See Risk Factors beginning on page S-5.

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, are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, and involve investment risks.

None of the Securities and Exchange Commission, any state securities commission, or any other regulatory body has approved or disapproved of these notes or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

BofA Merrill Lynch

Prospectus Supplement to Prospectus dated May 1, 2015

February 23, 2017

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ABOUT THIS PROSPECTUS SUPPLEMENT

We have registered our Medium-Term Notes, Series M (the notes) on a registration statement on Form S-3 filed with the Securities and Exchange Commission under Registration No. 333-202354.

From time to time, we intend to use this prospectus supplement, the accompanying prospectus, and a related pricing supplement, prospectus addendum and/or other prospectus supplement to offer the notes. We may refer to any pricing supplement as a term sheet. You should read each of these documents before investing in the notes.

This prospectus supplement describes additional terms of the notes and supplements the description of our other debt securities that may be issued under the Indentures contained in the accompanying prospectus. If the information in this prospectus supplement is inconsistent with the prospectus, this prospectus supplement will supersede the information in the prospectus.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy the notes in any jurisdiction in which that offer or solicitation is unlawful. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in some jurisdictions may be restricted by law. If you have received this prospectus supplement and the accompanying prospectus, you should find out about and observe these restrictions. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes outside of the United States. See Supplemental Plan of Distribution (Conflicts of Interest).

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (and amendments thereto, including the Directive 2010/73/EU, to the extent implemented in the relevant Member State, the Prospectus Directive) (each, a Relevant Member State) will be made under an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of any notes which are contemplated in this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for us or any of the selling agents to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither we nor the selling agents have authorized, and neither we nor they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or any selling agent to publish or supplement a prospectus for the purposes of the Prospectus Directive in relation to such offer. Neither this prospectus supplement nor the accompanying prospectus constitutes an approved prospectus for the purposes of the Prospective Directive.

For each offering of notes, we will issue a pricing supplement, prospectus addendum and/or other prospectus supplement that will contain additional terms of the offering and a specific description of the notes being offered. A supplement also may add, update, or change information in this prospectus supplement or the accompanying prospectus, including provisions describing the calculation of the amounts due under the notes and the method of making payments under the terms of a note. We will state in the applicable supplement the interest rate or interest rate basis or formula, issue price, any relevant market measures, the maturity date, interest payment dates,

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redemption, or repayment provisions, if any, and other relevant terms and conditions for each note at the time of issuance. A supplement also may include a discussion of any risk factors or other special additional considerations that apply to a particular type of note. Each applicable supplement can be quite detailed and always should be read carefully.

Unless we indicate otherwise or unless the context requires otherwise, all references in this prospectus supplement to Bank of America, we, us, our, or similar references are to Bank of America Corporation excluding its consolidated subsidiaries.

Any term that is used, but not defined, in this prospectus supplement has the meaning set forth in the accompanying prospectus.

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RISK FACTORS

Your investment in the notes involves significant risks. Your decision to purchase the notes should be made only after carefully considering the risks of an investment in the notes, including those discussed below, in the accompanying prospectus beginning on page 9, and in the relevant supplement(s) for the specific notes, with your advisors in light of your particular circumstances. The notes are not an appropriate investment for you if you are not knowledgeable about significant elements of the notes or financial matters in general. For information regarding 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, 2016, which is incorporated by reference in the accompanying prospectus, as well as those risks and uncertainties discussed in our subsequent filings that are incorporated by reference in the accompanying prospectus. You should also review the risk factors that will be set forth in other documents that we will file after the date of this prospectus supplement.

Our preferred single point of entry resolution strategy could materially adversely affect our liquidity and financial condition and our ability to pay the holders of our debt securities.

We are required annually to submit a plan to our primary regulatory authorities describing our resolution strategy under the U.S. Bankruptcy Code in the event of material financial distress or failure. In our current plan, our preferred resolution strategy is a single point of entry ("SPOE") strategy. This strategy provides that only Bank of America is resolved under the U.S. Bankruptcy Code and was designed to provide certain key operating subsidiaries with sufficient capital and liquidity to operate through severe stress and to enable such subsidiaries to continue operating or be wound down in a solvent manner following a Bank of America bankruptcy. We have entered into intercompany arrangements governing the contribution of capital and liquidity with these key subsidiaries. As part of these arrangements, we have transferred certain of our assets (and have agreed to transfer additional assets) to a wholly-owned holding company subsidiary in exchange for a subordinated note. Certain of our remaining assets secure our ongoing obligations under these intercompany arrangements. The wholly-owned holding company subsidiary has also provided a committed line of credit which, in addition to our cash, dividends and interest payments, including interest payments we receive in respect of the subordinated note, may be used to fund our obligations. These intercompany arrangements include provisions to terminate the line of credit, forgive the subordinated note and require us to contribute our remaining financial assets to the wholly-owned holding company subsidiary if our projected liquidity resources deteriorate so severely that resolution becomes imminent, which could materially and adversely affect our liquidity and ability to meet our payment obligations, including under the notes. In addition, our preferred resolution strategy could result in holders of notes being in a worse position and suffering greater losses than would have been the case under bankruptcy or other resolution scenarios or plans.

We are subject to the Federal Reserve Board's final rules requiring U.S. G-SIBs to maintain minimum amounts of long-term debt meeting specified eligibility requirements.

On December 15, 2016, the Federal Reserve Board released final rules (the "TLAC Rules") that would require the U.S. global systemically important bank holding companies, including Bank of America, to, among other things, maintain minimum amounts of long-term debt satisfying certain eligibility criteria ("eligible LTD") commencing January 1, 2019. Any senior long-term debt issued on or after January 1, 2017 must include revised terms in accordance with the final rule in order to qualify as eligible LTD. Actions required to comply with the TLAC Rules could impact our funding and liquidity risk management plans.

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If we enter a resolution proceeding, holders of our unsecured debt securities, including the notes, would be at risk of absorbing our losses.

Under the TLAC Rules, we are required to maintain minimum amounts of eligible LTD for the purpose of absorbing our losses in a resolution proceeding under either the U.S. Bankruptcy Code or Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Financial Reform Act). If we enter a resolution proceeding under either the U.S. Bankruptcy Code or Title II of the Financial Reform Act, our unsecured debt, including the notes, would be at risk of absorbing our losses and could be significantly reduced or eliminated. Under our SPOE resolution strategy, and single point of entry recapitalization strategy preferred by the Federal Deposit Insurance Corporation (the FDIC) under Title II of the Financial Reform Act, the value that would be distributed to holders of our unsecured debt, including the notes, may not be sufficient to repay all or part of the principal amount and interest on such debt, and holders of such debt could receive no consideration at all under these resolution scenarios. Either of these resolution strategies could result in holders of notes being in a worse position and suffering greater losses than would have been the case under a different resolution strategy. Accordingly, investors in the notes should assess our risk profile when making an investment decision to purchase the notes. Although SPOE is our preferred resolution strategy, neither Bank of America nor a bankruptcy court would be obligated to follow our SPOE strategy. Additionally, the FDIC is not obligated to follow its SPOE strategy to resolve Bank of America under Title II of the Financial Reform Act. For more information regarding the financial consequences of any such resolution proceeding to the holders of our unsecured debt securities, see Financial Consequences to Unsecured Debtholders of Single Point of Entry Resolution Strategy.

Our obligations on 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. In addition, creditors of subsidiaries recapitalized pursuant to our resolution plan would generally be entitled to payment of their claims from the assets of the subsidiaries, including our contributed assets.

Holders of notes could be at greater risk for being structurally subordinated if we sell or convey all or substantially all of our assets to one or more of our majority-owned subsidiaries.

If we sell or convey all or substantially all of our assets to one or more direct or indirect majority-owned subsidiaries of ours, the subsidiary or subsidiaries will not be required to assume our obligations under such notes, and we will remain the sole obligor on such notes. In such event, creditors of any such subsidiary or subsidiaries would have additional assets from which to recover on their claims while holders of notes would be structurally subordinated to creditors of such subsidiary or subsidiaries with respect to such assets. See Description of the Notes Limitation on Mergers and Sales of Assets below for more information.

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Events for which acceleration rights under the senior notes may be exercised are more limited than those available pursuant to the terms of our outstanding senior debt securities issued prior to January 13, 2017.

In response to the TLAC Rules, on January 13, 2017, we supplemented the Senior Indenture to, among other things, limit the circumstances under which the payment of the principal amount of senior debt securities (including senior notes) issued pursuant to the Senior Indenture on or after January 13, 2017 can be accelerated (unless specified otherwise in the applicable supplement).

All or substantially all of our outstanding senior debt securities issued prior to January 13, 2017, including outstanding debt securities issued under the Senior Indenture prior to such date (the Pre-2017 Senior Debt Securities), provide acceleration rights for nonpayment or bankruptcy. The Pre-2017 Senior Debt Securities also provide acceleration rights if we default in the performance of our covenants in those debt securities or the Senior Indenture. In addition, the Pre-2017 Senior Debt Securities do not require a 30-day cure period before a nonpayment of principal becomes an event of default and acceleration rights become exercisable with respect to such nonpayment.

However, under the Senior Indenture, as supplemented, unless we specify otherwise in the applicable supplement, payment of the principal amount of senior notes:

may be accelerated only (i) if we default in the payment of the principal of or interest on those senior notes and, in each case, the default continues for a period of 30 days, or (ii) upon our voluntary or involuntary bankruptcy and, in the case of our involuntary bankruptcy, the default continues for a period of 60 days; and

may not be accelerated if we default in the performance of any other covenants contained in the senior notes or the Senior Indenture. As a result of these differing provisions, if we breach or otherwise default in the performance of a covenant (other than a payment covenant) that is applicable both to the senior notes and the Pre-2017 Senior Debt Securities, the Pre-2017 Senior Debt Securities would have acceleration rights that would not be available to the holders of senior notes. In addition, if we fail to pay principal when due with respect to the senior notes and the Pre-2017 Senior Debt Securities, an event of default would occur immediately with respect to the Pre-2017 Senior Debt Securities (and the exercise of acceleration rights could proceed immediately in accordance with the provisions of the Senior Indenture as in effect at the time of their issuance), while the holders of the senior notes must wait for the 30-day cure period to expire before such nonpayment of principal becomes an event of default and any acceleration rights are triggered with respect to such nonpayment. Any repayment of the principal amount of Pre-2017 Senior Debt Securities following the exercise of acceleration rights in circumstances in which such rights are not available to the holders of the senior notes could adversely affect our ability to make timely payments on the senior notes thereafter.

Our subordinated notes are subject to limited rights of acceleration.

Unless we specify otherwise in the applicable supplement, payment of the principal amount of our subordinated notes may be accelerated only in the event of our voluntary or involuntary bankruptcy under federal bankruptcy laws (and, in the case of our involuntary bankruptcy, continuing for a period of 60 days). If you purchase any subordinated notes, you will have no right to accelerate the payment of principal of the subordinated notes if we fail to pay principal or interest when due on those notes or if we fail in the performance of any of our other obligations

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under those notes. The rights of acceleration under our subordinated notes are more limited than those available pursuant to the terms of our senior debt securities, including the senior notes.

Our obligations under subordinated notes will be subordinated.

Holders of our 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, including a proceeding under Title II of the Financial Reform Act. For additional information regarding the subordination provisions applicable to the subordinated notes, see [Description of Debt Securities Subordination](#) in the accompanying prospectus.

The market value of the notes may be less than the principal amount of the notes.

The market for, and market value of, the notes may be affected by a number of factors. These factors include:

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

the time remaining to maturity of the notes;

the aggregate amount outstanding of the relevant notes;

any redemption or repayment features of the notes;

the level, direction, and volatility of market 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 financial markets generally; and

any market-making activities with respect to the notes.

Often, the only way to liquidate your investment in the notes prior to maturity will be to sell the notes. At that time, there may be a very illiquid market for the notes or no market at all. For indexed notes that have 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 market measure, including any dividend rates or yields of other securities or financial instruments 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 applicable market measures, assets or formula applicable to those 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

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