



JPMorgan Chase Bank, National Association

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EQUITY LINKED CDs

CDs Linked to the Dow Jones Industrial AverageSM due November 27, 2015

General

- Certificates of deposit (the “CDs”) issued by JPMorgan Chase Bank, National Association maturing November 27, 2015*.
- The CDs are designed for investors who seek exposure to any appreciation of the Dow Jones Industrial AverageSM up to the Maximum Return of between 50% and 60% over the term of the CDs. Investors should be willing to forgo interest and dividend payments, as well as any appreciation in the Index that would exceed the Maximum Return, while seeking full principal protection at maturity.
- The CDs are insured only within the limits and to the extent described in this term sheet and in the accompanying disclosure statement. See “Selected Risk Considerations – Limitations on FDIC Insurance” in this term sheet.
- Investing in the CDs is not equivalent to investing in the Dow Jones Industrial AverageSM or any of its component stocks.
- Minimum denominations of \$1,000 (and then in additional increments of \$1,000).
- The CDs are expected to price on or about November 23, 2009 and to settle on or about November 27, 2009.

Key Terms

Index:	Dow Jones Industrial Average SM (the “Index”).
Payment at Maturity:	At maturity you will receive a cash payment, for each \$1,000 CD, of \$1,000 plus the Additional Amount, which may be zero and will not be more than the Maximum Return. You will receive no interest or dividend payments during the term of the CDs.
Additional Amount:	The Additional Amount paid at maturity per \$1,000 CD will equal \$1,000 x the Index Return x the Participation Rate; <i>provided</i> , that the Additional Amount will not be less than zero or greater than the Maximum Return. For example, if the Index Return is 50% and the Participation Rate is 100%, you will receive the Maximum Return of 50% which entitles you to a payment at maturity of \$1,500 per \$1,000 CD.
Participation Rate:	At least 100%. The actual Participation Rate will be set on the pricing date but will not be less than 100%.
Index Return:	$\frac{\text{Ending Index Level} - \text{Starting Index Level}}{\text{Starting Index Level}}$
Maximum Return:	50% to 60% over the term of the CDs (or between \$500 and \$600 per \$1,000 CD). The actual Maximum Return will be set on the pricing date and will not be less than 50% or greater than 60%.
Starting Index Level:	The Index closing level on the pricing date, which is expected to be on or about November 23, 2009.
Ending Index Level:	The Index closing level on the Observation Date.
Observation Date:	November 23, 2015,* or if such day is not a business day, the following business day.
Maturity Date:	November 27, 2015*.
Fees and Discounts:	If the CDs priced today and assuming a Maximum Return of 50%, J.P. Morgan Securities Inc., which we refer to as JPMSI, and its affiliates, would receive a commission of approximately \$69.00 per \$1,000 CD and would use a portion of that commission to allow selling concessions to other dealers of approximately \$35.00 per \$1,000 CD. The concessions of approximately \$35.00 include concessions to be allowed to selling dealers and concessions to be allowed to any arranging dealer. The actual commission received by JPMSI and its affiliates will depend on market conditions on the Pricing Date. In no event will the commission received by JPMSI, which includes concessions to be allowed to other dealers (including affiliates), exceed \$80.00 per \$1,000 CD.
Early Withdrawals:	At par upon death or adjudication of incompetence of a beneficial holder of the CDs. For information about early withdrawals and the limitations on such early withdrawals, see “General Terms of the CDs – Survivor’s Option” in the accompanying disclosure statement.
CUSIP:	48123YBD7
Calculation Agent:	J.P. Morgan Securities Inc.

*Subject to postponement in the event of a market disruption event and as described under “Description of CDs” in the accompanying disclosure statement.

Investing in the CDs involves risks. See “Risk Factors” in the accompanying disclosure statement and “Selected Risk Considerations” in this term sheet.

Our affiliate, JPMSI, certain of its affiliates and other broker-dealers may use this term sheet and the accompanying disclosure statement in connection with offers and sales of the CDs after the date hereof.

ADDITIONAL TERMS SPECIFIC TO THE CDs

You should read this term sheet together with the disclosure statement dated October 16, 2009. This term sheet, together with the documents listed below, contains the terms of the CDs and supersedes all prior or contemporaneous oral statements as well as any other written materials, including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in the “Risk Factors” section in the accompanying disclosure statement as the CDs involve risks not associated with conventional certificates of deposit. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the CDs.

You may access the disclosure statement on our website at the following URL:

Disclosure statement dated October 16, 2009:

http://www.jpmorgan.com/directdoc/Basket_Index_Disclosure_Statement_10_16_2009.pdf

You may access information related to the unaudited quarterly financial statements for the Bank for the three and six months ended June 30, 2009, the three months ended March 31, 2009 and the audited annual financial statements of the Bank for the years ended December 31, 2007 and December 31, 2008 at the following URLs:

http://www.jpmorgan.com/directdoc/jpmcb_financial_information_2007_through_Q2_09.pdf

We reserve the right to change the terms of the CDs prior to their issuance. Before you make your investment we will notify you of any changes in the terms of the CDs in a disclosure supplement or amended and restated term sheet on or before the business day prior to the settlement date.

As used in this term sheet, “we,” “us,” “our” or the “Bank” refers to JPMorgan Chase Bank, National Association.

Selected Purchase Considerations

- **PRESERVATION OF CAPITAL AT MATURITY** — You will receive at least the principal amount of your CDs if you hold the CDs to maturity, regardless of the performance of the Index, subject to our creditworthiness for any amount in excess of insured limits.
- **APPRECIATION POTENTIAL** — At maturity, in addition to your principal, for each \$1,000 principal amount CD you will receive a payment equal to \$1,000 x the Index Return x the Participation Rate, *provided* that this payment (the Additional Amount) will not be less than zero or greater than the Maximum Return. The actual Participation Rate will be determined on the pricing date and will not be less than 100%. The actual Maximum Return will be set on the pricing date and will not be less than 50% or greater than 60%.
- **FDIC INSURED** — The CDs are deposit obligations of the Bank and are insured by the FDIC up to applicable limits set by federal law and regulation. Pursuant to the Emergency Economic Stabilization Act of 2008 (the “Economic Stabilization Act”), which was enacted on October 3, 2008, the maximum deposit insurance amount was temporarily raised from \$100,000 to \$250,000 for all deposits held by you in the same ownership capacity at the Bank. On May 20, 2009, the Emergency Economic Stabilization Act was amended by the Helping Families Save Their Homes Act of 2009 (the “Helping Families Save Their Homes Act”), extending the increased limit until December 31, 2013. The maximum amount of deposit insurance per participant in the case of certain retirement accounts remains \$250,000 as described in the disclosure statement under “Deposit Insurance.” The principal amount of any CDs owned in excess of these limits is not insured by the FDIC. Under federal legislation adopted in 1993, claims of depositors are entitled to a preference in right of payment over claims of general unsecured creditors in the event of a liquidation or other resolution of any FDIC-insured depository institution. However, there can be no assurance that a depositor would receive the entire uninsured principal amount of CDs in any such liquidation or other resolution.
- **DIVERSIFICATION OF THE DOW JONES INDUSTRIAL AVERAGESM** — The return on the CDs is linked to the performance of the Dow Jones Industrial AverageSM, which consists of 30 component stocks that are intended to be representative of the broad market of U.S. industry. For additional information about the Dow Jones Industrial AverageSM, see the information set forth under “The Dow Jones Industrial AverageSM” in the accompanying disclosure statement.
- **TREATED AS CONTINGENT PAYMENT DEBT INSTRUMENTS** — You should review carefully the section entitled “Certain U.S. Federal Income Tax Consequences” in the accompanying disclosure statement. Unlike a traditional certificate of deposit that provides for periodic payments of interest at a single fixed rate with respect to which a cash-method holder generally recognizes income only upon payment of stated interest, the CDs will be treated as “contingent payment debt instruments” for U.S. federal income tax purposes and will therefore be subject to special tax rules. Under these rules, subject to the occurrence of a commodity hedging disruption event, you will generally be required to recognize interest income in each year at the “comparable yield,” as determined by us, although we will not make any payments with respect to the CDs until maturity. Interest included in income will increase your basis in your CDs. Generally, amounts received at maturity or earlier sale or exchange in excess of your basis will be treated as additional interest income while any loss will be treated as an ordinary loss to the extent of all previous inclusions with respect to your CDs, which will be deductible against other income (e.g., employment and interest income), with the balance treated as capital loss, which may be subject to limitations. Special rules may apply if the Additional Amount is determined prior to the Averaging Date as a result of a commodity hedging disruption event. You should consult your tax adviser concerning the application of these rules. Purchasers who are not initial purchasers of CDs at the issue price should consult their tax advisers with respect to the tax consequences of an investment in CDs, including the treatment of the difference, if any, between their basis in their CDs and the CDs’ adjusted issue price. See the section entitled “Certain U.S. Federal Income Tax Consequences” in the accompanying disclosure statement for more detailed

information. As discussed in the section entitled “Certain U.S. Federal Income Tax Consequences – No Reliance” in the accompanying disclosure statement, you cannot use the tax summaries herein for the purpose of avoiding penalties that may be asserted against you under the Internal Revenue Code.

- **COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE** — We will determine the comparable yield for the CDs and will provide that comparable yield, and the related projected payment schedule, in the disclosure supplement for the CDs. If the CDs had priced on October 22, 2009 and we had determined the comparable yield on that date, it would have been an annual rate of 2.57%, compounded semiannually. The actual comparable yield that we will determine for the CDs may be more or less than 2.57%, and will depend upon variety of factors, including actual market conditions and our borrowing costs for debt instruments of comparable maturities. Neither the comparable yield nor the projected payment schedule constitutes a representation by us regarding the actual amount, if any, that we will pay on the CDs.

Selected Risk Considerations

An investment in the CDs involves risks. Selected risks are summarized here, but we urge you to read the more detailed explanation of risks in “Risk Factors” in the accompanying disclosure statement.

- **MARKET RISK** — The return on the CDs at maturity is linked to the performance of the Index, and will depend on whether, and the extent to which, the Index Return is positive. **YOU WILL RECEIVE NO MORE THAN THE FULL PRINCIPAL AMOUNT OF YOUR CDS AT MATURITY IF THE INDEX RETURN IS ZERO OR NEGATIVE.**
- **THE CDs MAY NOT PAY MORE THAN THE PRINCIPAL AMOUNT AT MATURITY** — You may receive a lower payment at maturity than you would have received if you had invested in the Index directly, the stocks comprising the Index or contracts related to the Index. If the Ending Index Level does not exceed the Starting Index Level, you will receive a payment at maturity of \$1,000 per \$1,000 CD. This will be true even if the value of the Index was higher than the Starting Index Level at some point during the life of the CDs but later falls below the Starting Index Level.
- **YOUR RETURN ON THE CDs IS LIMITED TO THE MAXIMUM RETURN** — If the Ending Index Level is greater than the Starting Index Level, for each \$1,000 principal amount CD, you will receive at maturity \$1,000 plus an Additional Amount that will not exceed a predetermined percentage of the principal amount, regardless of the appreciation in the Index, which may be significant. We refer to this percentage as the Maximum Return, which will be set on the pricing date and will not be less than 50% or greater than 60%.
- **CERTAIN BUILT-IN COSTS ARE LIKELY TO ADVERSELY AFFECT THE VALUE OF THE CDS PRIOR TO MATURITY** — While the payment at maturity described in this term sheet is based on the full principal amount of your CDs, the original issue price of the CDs includes the agent’s commission and the cost of hedging our obligations under the CDs. As a result, the price, if any, at which our affiliate, JPMSI and certain of our other affiliates may be willing to purchase CDs from you in secondary market transactions, if at all, will likely be lower than the original issue price and could result in a substantial loss to you. The CDs are not designed to be short-term trading instruments. **YOUR PRINCIPAL IS PROTECTED ONLY AT MATURITY.**
- **THE CDs MAY BE SUBJECT TO THE CREDIT RISK OF JPMORGAN CHASE BANK, N.A.** — A depositor purchasing a principal amount of CDs in excess of FDIC insurance limits will be subject to the credit risk of JPMorgan Chase Bank, N.A. and our credit ratings and credit spreads may adversely affect the market value of the CDs. Investors are dependent on JPMorgan Chase Bank, N.A.’s ability to pay amounts due on the CDs in excess of FDIC insurance limits at maturity or on any other relevant payment dates, and therefore investors are subject to our credit risk and to changes in the market’s view of our creditworthiness. Any decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the value of the CDs.
- **NO INTEREST OR DIVIDEND PAYMENTS** — As a holder of the CDs, you will not receive interest payments, and you will not have voting rights or rights to receive cash dividends or other distributions or other rights that holders of underlying securities composing the Index would have.
- **LACK OF LIQUIDITY** — The CDs will not be listed on an organized securities exchange. JPMSI and its affiliates may offer to purchase the CDs upon terms and conditions acceptable to it, but is not required to do so. For more information, see “General Terms of the CDs – Additions and Withdrawals” and “Discounts and Secondary Market” in the accompanying disclosure statement dated October 16, 2009.
- **POTENTIAL CONFLICTS** — We and our affiliates play a variety of roles in connection with the issuance of the CDs, including acting as a calculation agent and hedging our obligations under the CDs. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the CDs. In addition, our parent, JPMorgan Chase & Co., is one of the companies that make up the Index. Neither we nor JPMorgan Chase & Co. will have any obligation to consider your interests as a holder of the CDs in taking any corporate action that might affect the value of the Index or the CDs.
- **LIMITATIONS ON FDIC INSURANCE** — As a general matter, holders who purchase CDs in a principal amount greater than the applicable limits set by federal law and regulation will not be insured by the FDIC for the principal amount exceeding such limit. Before the Economic Stabilization Act, which came into effect on October 3, 2008, the maximum deposit insurance amount was \$100,000 per account or \$250,000 per participant in the case of certain retirement accounts. While the Economic Stabilization Act raised the maximum deposit insurance amount from \$100,000 to \$250,000 per account (without changing limits for retirement accounts), and the Helping Families Save Their Homes Act extended the increased limit until December 31, 2013. Unless the increased coverage is extended further by law or regulation, the maximum deposit insurance amount will revert to \$100,000 per account after December 31, 2013, which is before the Maturity Date of the CDs. In addition, the FDIC may take the position that the return on the CDs, which is

reflected in the form of the Additional Amount, is not insured until the Observation Date. For more information, see "Deposit Insurance" in the accompanying disclosure statement.

- **TAX DISCLOSURE** – The information under "Treated as Contingent Payment Debt Instruments" and "Comparable Yield and Projected Payment Schedule" in this term sheet remains subject to confirmation by our tax counsel. We will notify you of any revisions to the information under "Taxed as Contingent Payment Debt Instruments" and "Comparable Yield and Projected Payment Schedule" in a supplement to this term sheet on or before the business day immediately preceding the issue date, or if the information cannot be confirmed by our tax counsel, we may terminate this offering of CDs.

Sensitivity Analysis – Hypothetical Payment at Maturity for Each \$1,000 CD

The table below illustrates the payment at maturity (including, where relevant, the payment of the Additional Amount) for an initial investment in \$1,000 aggregate principal amount of CDs for a hypothetical range of performances for the Index Return from -80% to +80% and assumes a Starting Index Level of 10000, a Participation Rate of 100% and a Maximum Return of 50%. The actual Participation Rate will be determined on the pricing date and will not be less than 100%. The actual Maximum Return will be set on the pricing date and will not be less than 50% or greater than 60%. The following results are based solely on the hypothetical example cited. You should consider carefully whether the CDs are suitable to your investment goals. The numbers appearing in the table below have been rounded for ease of analysis.

Ending Index Level	Index Return	Index Return x			Principal	Payment at Maturity	Annual Percentage Yield	
		Participation Rate (100%)	Additional Amount					
18000.00	80.00%	50.00%	\$500.00	+	\$1,000	=	\$1,500	6.99%
17000.00	70.00%	50.00%	\$500.00	+	\$1,000	=	\$1,500	6.99%
16000.00	60.00%	50.00%	\$500.00	+	\$1,000	=	\$1,500	6.99%
15000.00	50.00%	50.00%	\$500.00	+	\$1,000	=	\$1,500	6.99%
14000.00	40.00%	40.00%	\$400.00	+	\$1,000	=	\$1,400	5.77%
13000.00	30.00%	30.00%	\$300.00	+	\$1,000	=	\$1,300	4.47%
12000.00	20.00%	20.00%	\$200.00	+	\$1,000	=	\$1,200	3.09%
11500.00	15.00%	15.00%	\$150.00	+	\$1,000	=	\$1,150	2.36%
11000.00	10.00%	10.00%	\$100.00	+	\$1,000	=	\$1,100	1.60%
10500.00	5.00%	5.00%	\$50.00	+	\$1,000	=	\$1,050	0.82%
10000.00	0.00%	0.00%	\$0.00	+	\$1,000	=	\$1,000	0.00%
9500.00	-5.00%	0.00%	\$0.00	+	\$1,000	=	\$1,000	0.00%
9000.00	-10.00%	0.00%	\$0.00	+	\$1,000	=	\$1,000	0.00%
8500.00	-15.00%	0.00%	\$0.00	+	\$1,000	=	\$1,000	0.00%
8000.00	-20.00%	0.00%	\$0.00	+	\$1,000	=	\$1,000	0.00%
7000.00	-30.00%	0.00%	\$0.00	+	\$1,000	=	\$1,000	0.00%
6000.00	-40.00%	0.00%	\$0.00	+	\$1,000	=	\$1,000	0.00%
5000.00	-50.00%	0.00%	\$0.00	+	\$1,000	=	\$1,000	0.00%
4000.00	-60.00%	0.00%	\$0.00	+	\$1,000	=	\$1,000	0.00%
3000.00	-70.00%	0.00%	\$0.00	+	\$1,000	=	\$1,000	0.00%
2000.00	-80.00%	0.00%	\$0.00	+	\$1,000	=	\$1,000	0.00%

Hypothetical Examples of Amounts Payable at Maturity

The following examples illustrate how the payments at maturity in the table above are calculated.

Example 1: The level of the Index increases from the Starting Index Level of 10000 to an Ending Index Level of 12000. Because the Ending Index Level of 12000 is greater than the Starting Index Level of 10000 by not more than the hypothetical Maximum Return of 50%, the Additional Amount is equal to \$200 and the final payment at maturity is equal to \$1,200 for the \$1,000 principal amount of CDs, calculated as follows:

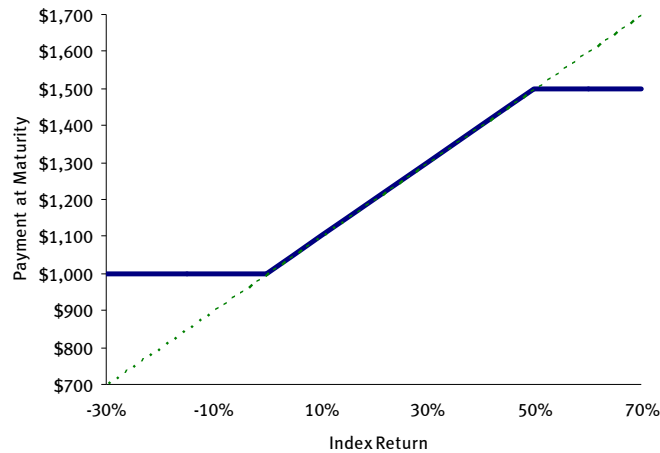
$$[\$1,000 + (\$1,000 \times [(12000 - 10000) / 10000] \times 100\%)] = \$1,200$$

Example 2: The level of the Index decreases from the Starting Index Level of 10000 to an Ending Index Level of 8000. Because the Ending Index Level of 8000 is lower than the Starting Index Level of 10000, the final payment at maturity is equal to the principal amount of \$1,000 for the \$1,000 principal amount of CDs.

Example 3: The level of the Index increases from the Starting Index Level of 10000 to an Ending Index Level of 17000. Because the Ending Index Level of 17000 is greater than the Starting Index Level of 10000 by more than the hypothetical Maximum Return of 50%, the Additional Amount is equal to \$500 and the final payment at maturity is equal to \$1,500 for the \$1,000 principal amount of CDs, the maximum payment on the CDs.

Hypothetical Graph of Amounts Payable at Maturity

The following graph demonstrates a subset of the hypothetical returns detailed in the table above. The numbers appearing in the graph have been rounded for ease of analysis. We cannot give you assurance that the performance of the Index will result in the payment at maturity in excess of \$1,000 per \$1,000 CD.



Historical Information

The following graph shows the weekly historical performance of the Dow Jones Industrial AverageSM from January 2, 2004 through October 16, 2009. The closing level of the Dow Jones Industrial AverageSM on October 21, 2009 was 9949.36.

We obtained the various Index closing levels and other information below from Bloomberg Financial Markets and accordingly, we make no representation or warranty as to their accuracy or completeness. The historical Index closing level should not be taken as an indication of future performance, and no assurance can be given as to the level of the Index on the Observation Date. We cannot give you assurance that the performance of the Index will result in a payment at maturity of more than the principal amount of your CDs.

