

J.P.Morgan

JPMorgan Chase Bank, National Association Callable Leveraged Spread CDs due February 26, 2025

\$

General

- Certificates of deposit (the "CDs") issued by JPMorgan Chase Bank, National Association due February 26, 2025.
- Full principal protection if the CDs are held to maturity.
- The CDs are expected to settle on or about February 26, 2010.
- Early withdrawals are permitted at par in the event of death or adjudication of incompetence of the beneficial owner of the CDs. For information about early withdrawals and the limitations on such withdrawals, see "Survivor's Option" in the accompanying Disclosure Statement dated April 16, 2009.
- The CDs are only insured by the Federal Deposit Insurance Corporation ("FDIC") 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.
- The Interest Rate on the CDs, which will be payable in arrears on each Interest Payment Date, will initially be equal to the Initial Interest Rate during the Initial Interest Period(s), if applicable. For all other Interest Periods (other than the Initial Interest Period(s), if applicable), the Interest Rate on the CDs will be determined in accordance with the section entitled "Interest Rate" below. However, if the Spread is equal to or less than zero on any Interest Determination Date, the Interest Rate for such Interest Period will be equal to zero.
- CDs may be purchased in minimum denominations of \$1,000 and in integral multiples of \$1,000 greater than \$1,000.

Key Terms

CUSIP:	48123YEQ5
Issue Price:	100%
Issue Date:	February 26, 2010; <i>provided, however</i> that if such day is not a Business Day, then the Issue Date will be the following day that is a Business Day.
Maturity Date:	February 26, 2025; <i>provided, however</i> that if such day is not a Business Day, then the Maturity Date will be the following day that is a Business Day.
Payment at Maturity:	On the Maturity Date we will pay you the outstanding principal amount of your CDs <i>plus</i> any accrued and unpaid interest; <i>provided, however</i> that your CD is outstanding and has not been previously called on any of the applicable Call Dates.
Call Feature:	The CDs may be redeemed from time to time at the Issuer's option prior to the Maturity Date, in whole or in part, at a price equal to 100% of the principal amount being redeemed, <i>plus</i> any accrued and unpaid interest, on the 26th day of each February, May, August and November of each year, commencing on February 26, 2011 and ending on the Maturity Date (each, a "Call Date"); <i>provided, however</i> that if such day is not a Business Day, then the Call Date shall be the following day that is a Business Day. Notice of redemption will be given not less than nine (9) Business Days prior to the Call Date. For the avoidance of doubt, on such Call Date, you will receive 100% of the outstanding principal amount being redeemed <i>plus</i> any accrued and unpaid interest.
Interest Period:	The period beginning on and including the Issue Date of the CDs and ending on but excluding the first Interest Payment Date, and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.
Interest Payment Date:	Interest on the CDs will be payable quarterly in arrears on the 26th day of each February, May, August and November of each year, commencing on May 26, 2010, to and excluding the Maturity Date. If the 26th day in any February, May, August or November of each year is not a Business Day, payment shall be made on the following day that is a Business Day.
Interest Rate:	The Interest Rate on the CDs, which will be payable in arrears on each Interest Payment Date, will initially be equal to the Initial Interest Rate(s) during the Initial Interest Period(s), if applicable. For all other Interest Periods (other than the Initial Interest Period(s), if applicable), the Calculation Agent will determine the Interest Rate per annum applicable to each Interest Period, calculated in thousandths of a percent, with five ten-thousandths of a percent rounded upwards, on the applicable Interest Payment Date and will be equal to (a) the Minimum Return plus (b) the lesser of (i) the Maximum Rate or (ii) the greater of (A) zero or (B) the Leverage Factor multiplied by the Spread, or expressed as a formula:

Minimum Rate + Min{Maximum Rate, Max[0.00%, (Leverage Factor × Spread)]}, where

"Minimum Rate" is equal to 0% per annum.

"Maximum Rate" is equal to 8.00% per annum.

"Leverage Factor" is 4.

"Spread" is equal to the 10-Year CMS Rate *minus* the 2-Year CMS Rate *minus* 0.125%.

The Interest Rate as described above is a rate per annum, and such annual rate will be determined on each Interest Determination Date and paid in arrears on each Interest Payment Date based on the actual number of days in an Interest Period and a fixed 365-day year. No adjustments will be made if such calendar year is a leap year.

Initial Interest Period(s):	The Interest Period beginning on and including the Issue Date of the CDs and ending on but excluding February 26, 2011.
Initial Interest Rate(s):	8.00% per annum. The Interest Rate as described above is a rate per annum , and such annual rate will be determined on each Interest Determination Date and paid in arrears on each Interest Payment Date based on the actual number of days in an Interest Period and a fixed 365-day year. No adjustments will be made if such calendar year is a leap year.
Interest Determination Date:	For each Interest Period (other than the Initial Interest Period(s), if applicable), two Business Days prior to the Interest Payment Date on which such Interest Period begins.
10-Year CMS Rate:	The rate that appears on Reuters page ISDAFIX1 under the heading "10Y" at 11:00 a.m. (New York City time) on the applicable Interest Determination Date. If such rate does not appear on Reuters page ISDAFIX1 on such date, the rate for such date shall be determined as if USD-CMS-Reference Banks were the applicable rate.
2-Year CMS Rate:	The rate that appears on Reuters page ISDAFIX1 under the heading "2Y" at 11:00 a.m. (New York City time) on applicable Interest Determination Date. If such rate does not appear on Reuters page ISDAFIX1 on such date, the rate for such date shall be determined as if USD-CMS-Reference Banks were the applicable rate.
CMS Rates:	The 10-Year CMS Rate and the 2-Year CMS Rate.
USD-CMS-Reference Banks:	A rate determined by the Calculation Agent on the basis of mid-market semi-annual swap rate quotations provided by the Reference Banks at approximately 11:00 a.m. (New York City time) on the date such rate is to be determined. For this purpose, the mid-market semi-annual swap rate means the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equivalent to the Designated Maturity commencing on the date of determination and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an actual/360 day count basis, is equivalent to USD-LIBOR-BBA with a maturity of three months. For purposes of calculating the arithmetic mean the Calculation Agent will eliminate the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).
Reference Banks:	Five leading swap dealers in the New York City interbank market selected by the Calculation Agent for the purpose of providing quotations as set forth above.
Designated Maturity:	10 years or 2 years, as the case may be, depending on whether the 10-Year CMS Rate or the 2-Year CMS Rate is being calculated.
Representative Amount:	As determined by the Calculation Agent, an amount that is representative for a single transaction in the relevant market at the relevant time.
Business Day:	Any day, other than a Saturday, Sunday or a day on which banking institutions in each of the City of New York, New York and Columbus, Ohio are generally authorized or obligated by law or executive order to close.
Calculation Agent:	J.P. Morgan Securities Inc. ("JPMSI"). All determinations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding on you and on us.
Early Withdrawals:	At par upon death or adjudication of incompetence of a beneficial holder of the CD. For information about early withdrawals and the limitations on such withdrawals, see "Survivor's Option" in the accompanying Disclosure Statement dated April 16, 2009.
Fees and Discounts:	For information about commissions paid to JPMSI in connection with sales of the CDs, see "Fees and Discounts; Hedging" in the accompanying Disclosure Statement dated April 16, 2009.

Investing in the CDs involves risks. See "Certain Investment Considerations" in the accompanying Disclosure Statement and "Selected Risk Considerations" in this term sheet.

JPMorgan

January 28, 2010

ADDITIONAL TERMS SPECIFIC TO THE CDs

You should read this term sheet together with the Disclosure Statement dated April 16, 2009 (the "Disclosure Statement"). You should carefully consider, among other things, the matters set forth in "Certain Investment Considerations" in the accompanying Disclosure Statement and "Selected Risk Considerations" below, 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. If you have not previously received a copy of the Disclosure Statement from us, we will endeavor to send it to you before the settlement date. We will also arrange to send you the Disclosure Statement and this term sheet if you so request.

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

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

Disclosure Statement dated April 16, 2009

http://www.jpmorgan.com/directdoc/rate_linked_cds_disclosure_statement_4_16_09_.pdf

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

http://www.jpmorgan.com/directdoc/jpmcb_financial_information_2007_through_Q3_2009.pdf

Selected Purchase Considerations

- **PRESERVATION OF CAPITAL** — You will receive at least \$1,000 for each \$1,000 CD if you hold the CDs to maturity, regardless of the Spread.
- **PERIODIC INTEREST PAYMENTS** — The CDs offer periodic interest payments on each Interest Payment Date at the applicable Interest Rate. Interest, if any, will be paid in arrears on each Interest Payment Date, to the holders of record at the close of business on the date 15 calendar days prior to the applicable Interest Payment Date. The interest payments will be calculated based on the Spread as described under "Interest Rate" on the cover of this term sheet. The yield on the CDs may be less than the overall return you would receive from a conventional certificate of deposit that you could purchase today with the same maturity as the CDs.
- **TAX TREATMENT** — You should review carefully the section entitled "Certain U.S. Federal Income Tax Consequences" in the accompanying Disclosure Statement for a detailed discussion of the U.S. federal income tax consequences of the acquisition, ownership and disposition of a CD and consult your tax adviser concerning your particular circumstances. You and we agree to treat the CDs for U.S. federal income tax purposes as "contingent payment debt instruments." Assuming this characterization is respected, 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 subject to special tax rules. As a result, you will generally be required to recognize interest income in each year at the "comparable yield," as determined by us (subject to certain adjustments to reflect the difference, if any, between the actual and projected amount of the contingent payment(s) on the CDs), which may differ from the amounts you receive in a taxable year. To obtain the comparable yield and the projected payment schedule in respect of the CDs, contact a certified financial analyst at the Global Securities Group desk at (800) 576-3529. Generally, any gain received on the sale or exchange, or at maturity, of the CDs will be treated as additional interest income while any loss will be treated as an ordinary loss, which will be deductible against other income (*e.g.*, employment and interest income). However, there are other reasonable treatments that the IRS or a court could adopt, which could significantly affect the timing and character of any income or loss on the CDs. Prospective purchasers are urged to consult their own tax advisers regarding the U.S. federal income tax consequences of an investment in the CDs. Purchasers who are not initial purchasers of CDs at their issue price on the Issue Date should consult their tax advisers with respect to the tax consequences of an investment in the CDs, and the potential application of special rules. As discussed in the section entitled "Certain U.S. Federal Income Tax Consequences-No Reliance," you cannot use the tax summaries herein for the purpose of avoiding penalties that may be asserted against you under the Internal Revenue Code.
- **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. This increased limit is set to expire on 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 plus accrued interest 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.

Selected Risk Considerations

- **THE CDS ARE NOT ORDINARY CERTIFICATES OF DEPOSIT; AFTER THE INITIAL INTEREST PERIOD(S), IF APPLICABLE, THE INTEREST RATE ON THE CDS IS VARIABLE AND MAY BE EQUAL TO THE MINIMUM RATE** — The terms of the CDs differ from those of ordinary certificates of deposit in that the rate of interest you will receive is not fixed after the Initial Interest Period(s), if applicable, but will vary based on the Spread on each Interest Determination Date. The Interest Rate on the CDs, which will be payable on each Interest Payment Date, will initially be equal to the Initial Interest Rate(s) during the Initial Interest Period(s), if applicable. For all other Interest Periods (other than the Initial Interest Period(s), if applicable), there is a maximum Interest Rate per annum for any Interest Period equal to the Minimum Rate *plus* the lesser of (i) the Leverage Factor *multiplied by* the Spread and (ii) the Maximum Rate, as set forth above on the cover of this term sheet. This is because the variable Interest Rate on the CDs, while determined by reference to the Spread as described on the cover of this term sheet, does not actually pay that rate. In accordance with the formula on the cover of this term sheet, if the Spread is zero or negative on any Interest Determination Date, the Interest Rate for the related Interest Period, provided it is not an Initial Interest Period(s) (if applicable), will be equal to the Minimum Rate. In that event, you will not be compensated for any loss in value due to inflation and other factors relating to the value of money over time during such period.

The Spread may be influenced by a number of factors, including (but not limited to) monetary policies, fiscal policies, inflation, general economic conditions and public expectations with respect to such factors. The Spread is one measure of the “yield curve”. The yield curve may flatten in the future, as it has during other historical periods, which would reduce or even eliminate the Spread. The effect that any single factor may have on the CMS Rates may be partially offset by other factors. We cannot predict the factors which may cause the Spread to decrease and, accordingly, result in a reduction of the Interest Rate per annum payable for the corresponding Interest Period.

- **THE INTEREST RATE ON THE CDS MAY BE BELOW THE RATE OTHERWISE PAYABLE ON SIMILAR VARIABLE RATE CDS ISSUED BY US** — The value of the CDs will depend on the Interest Rate on the CDs which, after the Initial Interest Period(s), if applicable, will be based on the Spread. As the Spread between these two rates changes, the return on the CDs may be less than returns on similar variable rate CDs issued by us that are not linked to CMS Rates. We have no control over any fluctuations in the CMS Rates.
- **ISSUER’S CREDIT RISK** — Notwithstanding FDIC insurance, the CDs are subject to the credit risk of JPMorgan Chase Bank, National Association and our credit ratings and credit spreads may adversely affect the market value of the CDs. Investors are dependent on JPMorgan Chase Bank, National Association’s ability to pay amounts due on the CDs at maturity, 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.
- **MARKET FACTORS MAY INFLUENCE WHETHER WE EXERCISE OUR RIGHT TO REDEEM THE CDS PRIOR TO THEIR SCHEDULED MATURITY** — We have the right to redeem the CDs prior to the Maturity Date, in whole or in part, on the specified Call Dates. It is more likely that we will redeem the CDs prior to the Maturity Date if the Spread increases and results in an Interest Rate on the CDs greater than instruments trading in the market of a comparable maturity and credit rating. If the CDs are called prior to the Maturity Date, you may be unable to invest in certificates of deposit with similar risk and yield as the CDs. Your ability to realize a higher than market yield on the CDs is limited by our right to redeem the CDs prior to their scheduled maturity, which may adversely affect the value of the CDs in the secondary market, if any.
- **THE METHOD OF DETERMINING THE VARIABLE INTEREST RATE FOR ANY INTEREST PERIOD MAY NOT DIRECTLY CORRELATE TO THE ACTUAL SPREAD** — The determination of the Interest Rate per annum payable for any Interest Period (after the Initial Interest Period(s), if applicable), will be based on Spread, as determined on each Interest Determination Date, regardless of what the actual differences are between the CMS Rates for the calendar days in that period that are not Interest Determination Dates.
- **VARIABLE RATE CDS DIFFER FROM FIXED RATE CDS** — The variable Interest Rate for all Interest Periods (other than the Initial Interest Period(s) if applicable) will be determined based on the Spread on the Interest Determination Dates set forth on the cover of this term sheet, and may be less than returns otherwise payable on certificates of deposit issued by us with similar maturities. You should consider, among other things, the overall potential annual percentage rate of interest to maturity of the CDs as compared to other investment alternatives.
- **THE LONG DATED CDS MAY BE MORE RISKY THAN SHORTER DATED CDS** — By purchasing a CD with a longer tenor, you are more exposed to fluctuations in interest rates than if you purchased a certificates of deposit with a shorter tenor. Specifically, you may be negatively affected if certain interest rate scenarios occur. For example, if interest rates begin to rise, the market value of your CDs will decline because the likelihood of us calling your CDs will decline and the interest rate you are receiving for that specific Interest Period may be less than a CD issued at such time with similar terms. For example, if your CDs were yielding an interest rate of 8.000% per annum (the Maximum Rate on your CDs), but a CD issued with similar terms in the then current market could yield an interest rate of 12.000% per annum, your CD would be less valuable if you tried to sell that CD in the secondary market.
- **LIQUIDITY** — The CDs will not be listed on any securities exchange. JPMSI may offer to purchase the CDs upon terms and conditions acceptable to it, but is not required to do so. For more information, see "Description of the CDs - Additions and Withdrawals" and "Secondary Market" in the accompanying Disclosure Statement dated April 16, 2009.

- **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 through one or more of our affiliates. As a result, the price, if any, at which our affiliate, JPMSI will 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.
- **POTENTIAL CONFLICTS** — We and our affiliates play a variety of roles in connection with the issuance of the CDs, including acting as 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. Investors will not be compensated in any way for any adverse effect resulting from such activities.
- **LIMITATIONS ON FDIC INSURANCE** — The CDs are insured by the FDIC within the limits and to the extent described in the disclosure statement under the section entitled "Deposit 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 and accrued interest 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), that increase is scheduled to expire on December 31, 2013. Unless the increased coverage is extended by law or regulation, the maximum deposit insurance amount will revert to \$100,000 per account after December 31, 2013, which is substantially before the maturity date of the CDs. In addition, the FDIC may take the position that the interest component of the CDs is not insured until the date that the interest payment for a particular Interest Period is determined.
- **TAX DISCLOSURE** — The information under "Tax Treatment" in this term sheet remains subject to confirmation by our tax counsel. We will notify you of any revisions to the information under "Tax Treatment" in a supplement to this term sheet on or before the Business Day immediately preceding the Issue Date.

What are the CMS Rates?

For purposes of the CDs, the CMS Rate, or the "constant maturity swap rate", is a measurement of the fixed rate leg of a hypothetical fixed rate-for-floating rate swap transaction, which we refer to as a constant maturity swap. In this hypothetical swap transaction, the fixed rate payment stream is reset each period relative to a regularly available fixed maturity market rate (such as the 10-Year or 2-Year United States dollar swap rate, payable semi-annually on the basis of a 360-day year consisting of 12 30-day months) and is exchangeable for a floating 3-month LIBOR-based payment stream, payable quarterly on the basis of the actual number of days elapsed in a 360-day year. LIBOR is the London interbank offered interest rate, and is a common rate of interest used in the swaps industry. The constant maturity side of the swap, which we refer to as the CMS Rate, represents the yield on an instrument with a longer life than the length of the fixed rate reset period. The value of the constant maturity swap is determined based on the comparison of the expected future LIBOR rates versus the fixed constant maturity swap rate, so the parties to a constant maturity swap have exposure to changes in a longer-term market rate.

As an example of the above, an interest rate swap based on a 2-Year United States dollar swap rate of 6% would indicate that two swap counterparties have agreed to exchange interest rate payments, where Counterparty A is paying 6% semi-annually for two years on a predetermined fixed notional amount to Counterparty B, and Counterparty B is paying 3-month LIBOR on a quarterly basis for two years on the same predetermined notional amount to Counterparty A.

Historical Information

The following graph sets forth the historical values of (a) the 10-Year CMS Rate minus the 2-Year CMS Rate and (b) the Spread from January 1, 1995 through January 28, 2010. The 10-Year CMS Rate on January 28, 2010 was 3.7890%. The 2-Year CMS Rate on January 28, 2010 was 1.1385%. The 10-Year CMS Rate minus the 2-Year CMS Rate on January 28, 2010 was 2.6505%. The Spread on January 28, 2010 was 2.5255%. We obtained the CMS Rates and other information below from Bloomberg Financial Markets. We make no representation or warranty as to the accuracy or completeness of the information obtained from Bloomberg Financial Markets.

The historical data with respect to the CMS Rates is not necessarily indicative of the future performance of the CMS Rates. Any historical upward or downward trend in the CMS Rates during any period set forth below is not an indication that the CMS Rates are more or less likely to increase or decrease at any time during the term of the CDs. No assurance can be given as to the CMS Rates on any given day, including on any Interest Determination Date.

