

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

() Check this box if no longer subject to Section 16.
 Form 4 or Form 5 obligations may continue. See Instructions 1(b).

1. Name and Address of Reporting Person
 BRACKEN, FRANK A.
 5150 PLANTATION DRIVE
 INDIANAPOLIS, IN 46250
2. Issuer Name and Ticker or Trading Symbol
 FIRST MERCHANTS CORPORATION
 FRME
3. IRS or Social Security Number of Reporting Person (Voluntary)
 ###-##-####
4. Statement for Month/Year
 January 1997
5. If Amendment, Date of Original (Month/Year)
6. Relationship of Reporting Person(s) to Issuer (Check all applicable)
 (X) Director () 10% Owner () Officer (give title below) () Other
 (specify below)
7. Individual or Joint/Group Filing (Check Applicable Line)
 (X) Form filed by One Reporting Person
 () Form filed by More than One Reporting Person

Table I -- Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security	2. Transaction Date	3. Transaction Code	4. Securities Acquired (A) or Disposed of (D) Amount	5. Amount of Securities Beneficially Owned at End of Month	6. Director (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership
Common Stock	01-17-1997	G(1)V	365	(2) 41,470.8768	D	
Common Stock	01-17-1997	G(3)V	365	2,780	I	Spouse
Common Stock	01-17-1997	G(4)V	12,775	130,165	I	Co-Trustee R.B. Bracken Rev. Trust (Mother)

Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Derivative Security	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D) Amount	6. Date Exercisable and Expiration Date Date (Month/Day/Year) Date (Month/Day/Year)	7. Title and Amount of Underlying Securities Title and Number of Shares	8. Price of Derivative Security	9. Number of Derivative Securities Beneficially Owned at End of Month	10. Director (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership
Non-employee director stock option (right to buy)								1,200	D	

Explanation of Responses:
 (1) Gift from mother of 365 shares (Rosemary B. Bracken Revocable Trust)
 (2) Includes 3.6452 shares acquired in September 1996 and 3.5518 shares acquired in December 1996 under the First Merchants Corporation dividend reinvestment plan.
 (3) Gift from mother-in-law of 365 shares (Rosemary B. Bracken Revocable Trust)
 (4) Gift of 12,775 shares from the Rosemary B. Bracken Revocable Trust to 35 relatives (365 shares each) including 365 shares to reporting person and 365 shares to the spouse of reporting person.
 SIGNATURE OF REPORTING PERSON
 Frank A. Bracken (Confirming Statement on File)
 DATE
 January 31, 1997