

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP
 () Check 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
 HOOVER, PAUL R.
 2404 WEST PINEVIEW DRIVE
 MUNCIE, IN 47303
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
 JULY 1996
5. If Amendment, Date of Original (Month/Year)
6. Relationship of Reporting Person to Issuer (Check all applicable)
 () Director () 10% Owner (X) Officer (give title below) () Other
 (specify below)
 SENIOR VICE PRESIDENT / FIRST MERCHANTS BANK, N.A.

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

1. Title of Security	2. Transaction Date	3. Code	4. Securities Acquired (A) or Disposed of (D)		5. Amount of Securities Beneficially Owned at End of Year	6. Dir (D) or Indir (I)	7. Nature of Indirect Beneficial Ownership
			Amount	A/D			
Common Stock					7,915	D	
					1,180	D	Self Directed IRA
					117	I	Self Directed IRA--Spouse

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. Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities	8. Price of Derivative Security	9. Number of Derivative Securities Beneficially Owned at End of Year	10. Dir (D) or Indir (I)	11. Nature of Indirect Beneficial Ownership				
											Amount	A/D	Exercise Date	Title and Number of Shares
Employee Stock Option (Right to Buy)	24.125	07-31-96	A	V	2,300	A	01-31-97	07-31-06	Common	2,300		20,000	D	

Explanation of Responses:
 SIGNATURE OF REPORTING PERSON
 PAUL R HOOVER (Confirming Statement on File)
 DATE
 August 1, 1996