

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
 ARWOOD, ROGER M
 200 E JACKSON ST
 MUNCIE, IN 47305
 USA
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 31, 2000
5. If Amendment, Date of Original (Month/Year)
6. Relationship of Reporting Person(s) to Issuer (Check all applicable)
 Director () 10% Owner Officer (give title below) () Other
 (specify below)
 EXECUTIVE VICE PRESIDENT
7. Individual or Joint/Group Filing (Check Applicable Line)
 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. Code	4. Securities Acquired (A) or Disposed of (D)		5. Amount of Securities Beneficially Owned at End of Month	6. Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership
			Amount	A/D			
Common Stock					100	D	

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 Month	10. Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership
				Amount	A/D	Exercisable Date	Expiration Date					
Employee Stock Option (Right to Buy)	21.1563	07-01-00	A	3,000	A	06-30-02	06-30-10	Common Stock 3,000		8,000	D	

Explanation of Responses:
 SIGNATURE OF REPORTING PERSON
 Roger M. Arwood (Confirming Statement on File)
 DATE
 August 1, 2000