

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (Date of earliest event reported): June 11, 2019

Commission File Number 0-17071

FIRST MERCHANTS CORPORATION

(Exact name of registrant as specified in its charter)

INDIANA	35-1544218
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

**200 East Jackson Street
P.O. Box 792
Muncie, IN 47305-2814**

(Address of principal executive offices, including zip code)

(765) 747-1500

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.125 state value per share	FRME	The NASDAQ Stock Market LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 7.01 REGULATION FD DISCLOSURE

On June 13, 2019, First Merchants Corporation (the “Company”) issued a press release announcing that a settlement had been reached with the United States Department of Justice (the “DOJ”) and that the Company was moving forward with steps to consummate its merger with MBT Financial Corp. (“MBT”), as further described below in Item 8.01. A copy of the press release is attached as Exhibit 99.1 to this Report.

Also on June 13, 2019, First Merchants Bank (the “Bank”), the wholly-owned banking subsidiary of the Company, and the Fair Housing Center of Central Indiana jointly announced a community partnership designed to increase mortgage lending to certain residents of Marion County, Indiana, as further described below in Item 8.01. A copy of the joint press release is attached as Exhibit 99.2 to this Report.

The preceding information and the information furnished in Exhibit 99.1 and Exhibit 99.2 of this Report shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and such information shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

ITEM 8.01 OTHER EVENTS

On June 11, 2019, the Company filed an application with the Federal Reserve Bank of Chicago seeking its approval of the Company’s pending merger with MBT under the Bank Holding Company Act (the “Act”). The application was filed in contemplation of the impending settlement between the Bank and the DOJ relating to alleged violations (the “Allegations”) of the Equal Credit Opportunity Act (the “ECOA”) and the Fair Housing Act (the “FHA”).

The Company and MBT had announced, in October 2018, their plans for MBT to be merged with and into the Company, with the Company continuing as the surviving bank holding company (the “Holding Company Merger”). Immediately following the Holding Company Merger, it is contemplated that MBT’s wholly-owned subsidiary, Monroe Bank & Trust, will be merged with and into the Bank (the “Bank Merger”), with the Bank continuing as the surviving bank.

The Bank Merger was approved by the Federal Deposit Insurance Corporation (“FDIC”) on January 3, 2019, subject to certain customary conditions, and was approved by the Indiana Department of Financial Institutions (the “Indiana DFI”) on February 18, 2019. The FDIC and the Indiana DFI were each aware of the DOJ investigation at the time they approved the Bank Merger. In addition, at a special meeting held in February 2019, the shareholders of MBT approved the merger agreement between MBT and the Company, including the mergers.

The Company had previously requested a waiver from the Federal Reserve Board of Governors of the application requirements under the Act. However, at the direction of the Federal Reserve Board, the Company has filed the June 11 application seeking Federal Reserve approval. The Company has withdrawn its waiver request in order to accommodate the filing of the application. As a result, consummation of the mergers are subject only to Federal Reserve approval and satisfaction of customary closing conditions contained in the merger agreement. The Company now expects the mergers to close during the third quarter of 2019.

DOJ Settlement

The Bank first physically entered the Indianapolis-Marion County market in February 2016 through its newly-constructed branch in the Broad Ripple neighborhood. In mid-2017, the Bank completed a system-wide fair lending assessment for the calendar year 2016, the first assessment that included Indianapolis-Marion County. Based on the analysis, the Bank concluded that it needed to enhance its mortgage lending strategy in majority-minority neighborhoods and began implementing steps to make those improvements.

In the meantime, in June 2017, the DOJ notified the Bank that an investigation of its fair lending practices had been opened. The investigation ultimately focused on the Indianapolis-Marion County market during the period between January 1, 2011 and December 31, 2016. The Allegations arose from that investigation.

There was no actual finding or adjudication with respect to any matter alleged by the DOJ, and the Bank has not admitted any of the Allegations or to any liability. Rather, the settlement provides an opportunity for the Bank to instead devote additional resources to continue serving the communities in which it operates, including helping meet the credit needs of all borrowers in those communities. The Bank prohibits any act or practice that discriminates in any aspect of a residential real estate-related transaction in violation of the FHA or in any aspect of a credit transaction in violation of the ECOA. Nothing in the Settlement Agreement prohibits the Company from making future acquisitions or opening branches.

Pursuant to the Settlement Agreement, the Bank will invest \$1.12 million over four years in a special loan subsidy fund that will offer residents in Indianapolis-Marion County majority-black census tracts access to home mortgage loans and home improvements loans. Subsidies may be used for down payment assistance, closing cost assistance, mortgage insurance premiums, and any other appropriate assistance measures approved by the DOJ. The maximum loan subsidy is \$7,500 per loan. Up to twenty-five percent (25%) of the aggregate amount can be used for refinancings of existing loans.

The Bank will also open a full-service banking center in an Indianapolis-Marion County majority-black census tract and a new Loan Production Office (with an ATM) in Indianapolis-Marion County. The locations will be staffed with at least one full-time residential loan officer who is fully trained in all aspects of home mortgage and home equity lending, and whose marketing and community outreach work is consistent with standards laid out in the agreement.

Additionally, the Bank will dedicate at least \$125,000 per year for four years to marketing, community outreach, education and credit repair initiatives in Indianapolis-Marion County majority-black census tracts.

Community Partnership

On June 13, 2019, the Bank and the Fair Housing Center of Central Indiana ("FHCCI") separately announced several other new initiatives designed to increase mortgage lending to residents in Marion County's majority-black neighborhoods. The Bank's partnership with FHCCI is intended to accelerate the offering of impactful financial products to the County's diverse population through the implementation of various lending, educational and relationship initiatives over the next three (3) years.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit 99.1 [Press Release, dated June 13, 2019 issued by First Merchants Corporation](#)

Exhibit 99.2 [Joint Press Release of First Merchants Bank and the Fair Housing Center of Central Indiana, dated June 13, 2019](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

First Merchants Corporation
(Registrant)

By: /s/ Mark K. Hardwick
Mark K. Hardwick
Executive Vice President,
Chief Financial Officer and Chief Operating Officer

Dated: June 13, 2019

June 13, 2019

FOR IMMEDIATE RELEASE

For more information, contact:

Nicole M. Weaver, Vice President and Director of Corporate Administration

765-521-7619

<http://www.firstmerchants.com>

SOURCE: First Merchants Corporation, Muncie, Indiana

First Merchants announces settlement agreement, next steps to finalize acquisition of MBT Financial Corp.

First Merchants Corporation (NASDAQ - FRME), the holding company for First Merchants Bank, announced today a settlement agreement with the United States Department of Justice (DOJ) to address issues raised relative to the Equal Credit Opportunity Act and the Fair Housing Act. The settlement, which resolves all claims by the DOJ, finalizes an investigation that began in June 2017 focused on bank lending practices in the Indianapolis-Marion County market between January 1, 2011 and December 31, 2016. There was no actual finding or adjudication with respect to any matter alleged by the DOJ.

With a settlement in place, First Merchants will continue moving forward with closing its proposed merger transaction with MBT Financial Corp. At the direction of the Federal Reserve Board of Governors, First Merchants filed an application with the Federal Reserve Bank of Chicago seeking its approval of the acquisition. First Merchants previously requested a waiver from the Federal Reserve Board but has now withdrawn that request to accommodate the application.

First Merchants and MBT announced the merger last October. As part of that the transaction, MBT's wholly-owned subsidiary, Monroe Bank & Trust, will be merged with and into First Merchants Bank.

The merger was approved by the Federal Deposit Insurance Corporation (FDIC) on January 3 and approved by the Indiana Department of Financial Institutions (Indiana DFI) on February 18. Both the FDIC and the Indiana DFI were aware of the DOJ investigation at the time of their approvals. MBT shareholders approved the merger agreement in February. The final steps to closing are Federal Reserve approval and satisfaction of customary closing conditions contained in the merger agreement. With the application now pending before the Federal Reserve, First Merchants expects the merger to close during the third quarter of this year.

Michael C. Rechin, President and Chief Executive Officer, commenting on the immediate benefits of resolving this matter with the DOJ, stated that: "The settlement provides an opportunity for the Bank to devote additional resources in serving the communities in which it operates, including helping meet the credit needs of all borrowers in those communities."

First Merchants first entered the Indianapolis-Marion County market in February 2016 with a new banking center constructed in Indianapolis' Broad Ripple neighborhood. In mid-2017, the bank completed a system-wide fair lending assessment for the calendar year 2016, the first that included Indianapolis-Marion County. Based on the analysis, First Merchants concluded it needed to enhance its mortgage lending strategy in majority-minority neighborhoods and began implementing steps to make those improvements.

Those steps included:

- Establishing a close partnership with the Indianapolis Neighborhood Housing Partnership (INHP) with First Merchants Bank providing direct contributions, sponsorship of financial literacy classes, INHP loan pool purchases and an equitable transit loan product to facilitate affordable housing along bus lines.
-
- Expanding first-time homebuyer loan products with a low fixed interest rate, no private mortgage insurance, no down payment required and grant funds available to assist with closing costs.
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- Making more than \$39 million in loans since 2014 to create or maintain nearly 800 affordable housing units, more than 700 of which are located in Marion County.
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- Providing Neighborhood Impact Program (NIP) funds directly through the Jon Bonner Center with plans for providing additional NIP funding for similar organizations.
-
- Making various community investments, including nearly \$4 million in funds that created more than 230 affordable housing units in and around Indianapolis, \$2.75 million with the Indiana Housing & Community Development Authority to fund first-time homebuyer and grant programs, and more than \$5 million for Marion County schools where 75% of students are on free or reduced lunch.

As part of the DOJ settlement, First Merchants Bank will invest \$1.12 million over four years in a special loan subsidy fund that will offer residents in Indianapolis-Marion County majority-black census tracts access to home mortgage loans and home improvements loans. Subsidies may be used for down payment assistance, closing cost assistance and mortgage insurance premiums. The maximum loan subsidy is \$7,500 per loan. Up to 25% of the aggregate amount can be used for refinancings of existing loans.

First Merchants Bank will also open a full-service banking center in an Indianapolis-Marion County majority-black census tract and a new Loan Production Office (with an ATM) in Indianapolis-Marion County. The locations will be staffed with at least one full-time residential loan officer who is fully trained in all aspects of home mortgage and home equity lending, and whose marketing and community outreach work is consistent with standards laid out in the agreement.

Additionally, First Merchants Bank will dedicate at least \$125,000 per year for four years to marketing, community outreach, education and credit repair initiatives in Indianapolis-Marion County majority-black census tracts.

“With our entry into Marion County in 2016, we have been eager to take on the new challenges of achieving excellence in a large metropolitan market. Since that time, we have added both resources and strategic partnerships as we strive to help our customers reach their goals and our communities become stronger.” said Rechin. “Our previous steps and the strategies and tactics resulting from this agreement are further examples of our longtime dedication to making a difference in the communities we serve.”

About First Merchants Corporation

First Merchants Corporation is a financial holding company headquartered in Muncie, Indiana. The Corporation has one full-service bank charter, First Merchants Bank. The Bank also operates as First Merchants Private Wealth Advisors (as a division of First Merchants Bank).

First Merchants Corporation's common stock is traded on the NASDAQ Global Select Market System under the symbol FRME. Quotations are carried in daily newspapers and can be found on the company's Internet web page (<http://www.firstmerchants.com>).

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June 13, 2019

FOR IMMEDIATE RELEASE

For more information, contact:

Amy Nelson, Executive Director Karen Evens, Marketing Director
Fair Housing Center of Central Indiana First Merchants Bank
Phone: 317-644-0673 x1001 Phone: 765-747-1477
Email: anelson@fhcci.org Email: kevens@firstmerchants.com

SOURCE: First Merchants Corporation (FRME), Muncie, Indiana

First Merchants and FHCCI announce major effort to expand lending opportunities for majority-black neighborhoods in Marion County

Strategy includes new banking center, loan subsidies, and grant funding to local CDCs

First Merchants Bank (FMB) and the Fair Housing Center of Central Indiana (FHCCI) today announced several new initiatives designed to increase mortgage lending to residents in Marion County's majority-black neighborhoods and census tracts.

First Merchants CEO Michael C. Rechin touted the bank's partnership with the FHCCI as an important step for the company's future success in Indiana's most populous county.

"We were eager to take on new challenges to achieve excellence in a large metropolitan market through our acquisition growth strategy. Our efforts began with entry into Marion County in 2016 and have since expanded with added resources and strategic partnerships," said Rechin. "We are pleased that our results in Marion County are building consistently, with current lending application volume in 2019 nearly three times full-year 2018 figures. Our new partnership with the FHCCI is an exciting opportunity to accelerate both connectivity within Marion County and existing company efforts to offer new and innovative loan products to the county's diverse population."

"The initiatives announced today will facilitate desperately needed mortgage lending and consumer education opportunities for residents in majority-minority communities in Marion County," said FHCCI Executive Director Amy Nelson. "More importantly, the FHCCI and First Merchants have created a roadmap for other financial institutions that are seeking to expand access to credit in underserved areas and ensure that every individual, group, and community enjoys equal housing opportunity and access in a bias-free and open housing market," continued Nelson.

First Merchant's initiatives are reflected in an agreement with the FHCCI and will be implemented over three years, to include:

- A new full-service banking center by FMB located in one of Marion County's majority-black census tracts as well as a new loan production office to be located in Marion County.
- \$1.12 million in loan subsidy funds offered by FMB to borrowers in Marion County majority-black census tracts for assistance in down payments and closing costs (maximum subsidy of \$7,500 per loan). This contribution is expected to result in \$20 to \$30 million in new mortgage loan originations in Marion County majority-black census tracts.

- FMB will continue its Next Horizon Loan Program - with features designed to increase home ownership in majority-minority census tracts in Marion County - and a goal to originate a minimum of \$5 million in mortgage loans for communities served by the three community development corporations (CDCs) receiving grant funds from FMB.
- FMB will originate \$4 million in loans for the development of new multifamily housing located in majority-black census tracts located in Marion County that will be affordable to households earning less than 60% of the area median income.
- \$500,000 in grants by FMB to be shared by three CDCs that serve majority-black census tracts of Marion County: Mapleton-Fall Creek Development Corporation, King Park Development Corporation, and Near East Area Renewal (NEAR).
- \$150,000 to the FHCCI for a fair lending educational and literacy program designed to increase the number of qualified loan applications from African Americans in Marion County as well as to address lending discrimination in the financial services industry.
- FMB will also spend a minimum of \$150,000 on a targeted advertising and outreach campaign.
- FMB will appoint a Community Lending and Development Director. The new director will focus on building relationships with community organizations and potential customers in Marion County.
- Ongoing credit counseling and homebuyer outreach and education by FMB and training of executive leadership and staff on issues related to fair lending.
- A contribution of \$550,000 to the FHCCI by FMB.

Building on Existing Community Development Efforts

The new initiatives announced today will build on efforts already undertaken by First Merchants Bank to positively impact community development and expanded access to credit, including:

- A close partnership with the Indianapolis Neighborhood Housing Partnership (INHP) with direct contributions, sponsorship of financial literacy classes, INHP loan pool purchases, and an equitable transit loan product to facilitate affordable housing along bus lines.
- Expanded first-time homebuyer loan products with a low fixed interest rate, no private mortgage insurance, no down payment required and grant funds available to assist with closing costs.
- More than \$39 million in loans since 2014 to create or maintain nearly 800 affordable housing units, more than 700 of which are located in Marion County.
- Neighborhood Impact Program (NIP) funds provided directly through the John Boner Neighborhood Centers and plans for additional NIP funding for similar organizations.
- Various community investments, including nearly \$4 million in funds that created more than 230 affordable housing units in and around Indianapolis; \$2.75 million with the Indiana Housing & Community Development Authority to fund first-time homebuyer and grant programs; and more than \$5 million for Marion County schools where 75% of students are on free or reduced lunch.

“Our team is committed to Marion County, and we feel extremely fortunate to partner with an organization like the FHCCI,” said Rechin. “Their value is immeasurable as we seek long-term connectivity to the many communities in and around Indianapolis.”

“The mission of the FHCCI is to ensure equal housing opportunities by eliminating housing discrimination through advocacy, enforcement, education and outreach.” said Nelson, “However, we need more banks assisting the FHCCI in accomplishing this mission and in providing fair and equal access to credit. We hope today’s announcement will encourage other Indiana financial institutions to follow FMB’s lead and launch their own initiatives to promote homeownership and address the need to expand fair and non-discriminatory access to credit.”

The initiatives launched today reflect resolution of allegations of lending concerns raised by the FHCCI. FMB denies any fault as part of the resolution.

About First Merchants Corporation

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About the Fair Housing Center of Central Indiana

The Fair Housing Center of Central Indiana (FHCCI) is a private, nonprofit fair housing organization founded in 2011 and based in Indianapolis, Indiana. Its mission is to ensure equal housing opportunities by eliminating housing discrimination through advocacy, enforcement, education and outreach. More information on the FHCCI can be found on the Center’s website, www.fhcci.org.

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