

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

(X) 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
 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
 May 1997
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)
 SENIOR VICE PRESIDENT / FIRST MERCHANTS BANK, N.A.
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. Transaction 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	Price			
Common Stock	05-27-97	M	3,150	A	10.7778			
Common Stock	05-27-97	M	2,700	A	9.1111			
Common Stock	05-27-97	F	2,018	D	29.00	11,747	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. Transaction 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
Employee Stock Option (Right to Buy)	10.7778	05-27-97	M	3,150	D 12-30-89 06-30-99	Common 3,150				
Employee Stock Option (Right to Buy)	9.1111	05-27-97	M	2,700	D 04-04-91 10-04-00	Common 2,700		14,150	D	

Explanation of Responses:
 Reporting person submitted shares of common stock and cash in the amount of \$28.00 to exercise the options indicated.

Effective January 1, 1997, by resolution of the Board of Directors of First Merchants Corporation, reporting person is no longer subject to Section 16.

SIGNATURE OF REPORTING PERSON

Paul R. Hoover

DATE

May 28, 1997