

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

1. Name and Address of Reporting Person
 HUDSON, BARRY J
 PO BOX 1089
 PORTLAND, IN 47371
2. Date of Event Requiring Statement (Month/Day/Year)
 MAY 11, 1999
3. IRS or Social Security Number of Reporting Person (Voluntary)
 ###-##-####
4. Issuer Name and Ticker or Trading Symbol
 FIRST MERCHANTS CORPORATION
 FRME
5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
 Director 10% Owner Officer (give title below) Other
 (specify below)
6. If Amendment, Date of Original (Month/Day/Year)
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 Beneficially Owned

1. Title of Security	2. Amount of Securities Beneficially Owned	3. Ownership Form: Direct(D) or Indirect(I)	4. Nature of Indirect Beneficial Ownership
COMMON STOCK	734,104.4889	D	
COMMON STOCK	2,696	I	CUSTODIAN - UGMA - SON
COMMON STOCK	2,696	I	CUSTODIAN - UGMA - DAUGHTER

Table II -- Derivative Securities Beneficially Owned

1. Title of Derivative Security	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Underlying Securities	4. Conversion or Exercise Price of Security	5. Ownership Form of Derivative Security: Direct(D) or Indirect(I)	6. Nature of Indirect Beneficial Ownership
Employee Stock Option (Right to Buy)	10-01-99 04-01-09	Common Stock	3,000 23.75	D	

Explanation of Responses:
 SIGNATURE OF REPORTING PERSON
 Barry J. Hudson (Confirming Statement on File)
 DATE
 May 19, 1999