

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
 BUCZEK, THOMAS E.
 4310 CASTLETON COURT
 MUNCIE, IN 47304
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, 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)
 FIRST 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. 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	07-24-97	M	900	A	10.7778			
Common Stock	07-24-97	S	900	D	31.00			
Common Stock	07-24-97	M	562	A	17.2222			
Common Stock	07-24-97	S	562	D	31.00	989	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		7. Title and Amount of Underlying Securities	8. Price of Derivative Security	9. Number of Derivative Securities Beneficially Owned at Month	10. Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership
				Amount	A/D	Amount	Expiration Date	Expiration Date					
Employee Stock Option (Right to Buy)	10.7778	07-24-97	M	D	D	12-31-89	06-30-99	Common	900				
	17.2222	07-24-97	M	D	D	01-30-93	07-30-02	Common	562				
	31.375	07-31-97	A	V	A	01-31-98	07-31-07	Common	2,000		7,525	D	

Explanation of Responses:
 By resolution of the Board of Directors of Issuer, effective January 1, 1997, reporting person is no longer subject to Section 16.

SIGNATURE OF REPORTING PERSON
 Thomas E. Buczek (Confirming Statement on File)
 DATE
 August 5, 1997