

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  
 BRACKEN, FRANK A.  
 5150 PLANTATION DRIVE  
 INDIANAPOLIS, IN 46250
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 1997
5. If Amendment, Date of Original (Month/Year)
6. Relationship of Reporting Person(s) to Issuer (Check all applicable)  
 (X) Director ( ) 10% Owner ( ) Officer (give title below) ( ) Other  
 (specify below)
7. Individual or Joint/Group Filing (Check Applicable Line)  
 (X) 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	07-01-1997	S	1,000	D	31.25			
Common Stock	07-01-1997	S	5,500	D	30.50			
Common Stock	07-03-1997	S	500	D	31.25			
Common Stock	07-10-1997	S	1,200	D	31.25			
Common Stock	07-15-1997	S	1,500	D	31.25			
Common Stock	07-17-1997	*W	8,064	D		106,401	I	Co-Trustee R.B. Bracken IRR Trust
Common Stock						41,477.1104	D	
Common Stock						2,780	I	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
Non-Employee Director Stock Option (Right to Buy)	31.25	07-01-97	A	600	01-01-98 to 06-30-07	Common 600		1,800	D	

Explanation of Responses:  
 \*Specific bequest of 2,016 shares to each of four grandchildren of R.B. Bracken.

SIGNATURE OF REPORTING PERSON  
 Frank A. Bracken (Confirming Statement on File)  
 DATE  
 July 31, 1997