



DIVISION OF  
CORPORATION FINANCE  
Mail Stop 4720

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

September 8, 2009

*By U.S. Mail and Facsimile to: (802)865-1834*

Michael R. Tuttle  
President and CEO  
Merchants Bancshares, Inc.  
275 Kennedy Drive  
South Burlington, VT 05403

**Re: Merchants Bancshares, Inc.  
Form 10-K for the Fiscal Year Ended December 31, 2008  
Filed March 16, 2009  
File No. 000-11595**

Dear Mr. Tuttle:

We have completed our review of your Form 10-K and have no further comments at this time.

Sincerely,

Kathryn McHale  
Staff Attorney