

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 23, 2009

UNION BANKSHARES CORPORATION

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation)

0-20293
(Commission
File Number)

54-1598552
(I.R.S. Employer
Identification No.)

**211 North Main Street
P.O. Box 446
Bowling Green, Virginia 22427**
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code:(804) 633-5031

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13c-4(c) under the Exchange Act (17 CFR 240.13c-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On December 23, 2009, Union Bankshares Corporation (the “Company”) entered into a Warrant Repurchase Letter Agreement (the “Repurchase Agreement”) with the United States Department of Treasury (the “Treasury”) to repurchase a warrant to purchase 211,318 shares of the Company’s common stock that was issued to the Treasury on December 19, 2008 (the “Warrant”) in connection with the Company’s sale to the Treasury of 59,000 shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series A, having a liquidation preference of \$1,000 per share, for an aggregate purchase price of \$59,000,000 as part of the Treasury’s Capital Purchase Program. Pursuant to the terms of the Repurchase Agreement, the Company repurchased the Warrant for a purchase price of \$450,000. The Company previously repurchased all of the Series A Preferred Shares on November 18, 2009, which included all accrued and unpaid dividends. As a result of the Warrant repurchase, the Company has no securities issued or outstanding to the Treasury and is no longer participating in the Treasury’s Capital Purchase Program. The Warrant repurchase will have no material effect on the financial results of the Company.

A copy of the Warrant Repurchase Letter Agreement is attached as Exhibit 10.1 hereto and is hereby incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) *Exhibits.*

10.1 Warrant Repurchase Letter Agreement, dated December 23, 2009, between Union Bankshares Corporation and the United States Department of the Treasury.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNION BANKSHARES CORPORATION

Date: December 23, 2009

By: /s/ D. Anthony Peay
D. Anthony Peay
Executive Vice President and
Chief Financial Officer

UNITED STATES DEPARTMENT OF THE TREASURY
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

December 23, 2009

Ladies and Gentlemen:

Reference is made to that certain letter agreement (the "*Repurchase Letter Agreement*"), dated as of the date set forth on Schedule A hereto, between the United States Department of the Treasury (the "*Investor*") and the company set forth on Schedule A hereto (the "*Company*"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Repurchase Letter Agreement.

As documented by the Repurchase Letter Agreement, the Company has completed the repurchase from the Investor of all of the Preferred Shares issued to the Investor pursuant to the Securities Purchase Agreement. Following such time, the Company delivered a Warrant Repurchase Notice dated as of the date set forth on Schedule A hereto to the Investor. In connection with the consummation, on the date hereof, of the repurchase of the Warrant by the Company from the Investor, as contemplated by the Warrant Repurchase Notice and Section 4.9 of the Securities Purchase Agreement:

(a) The Company hereby acknowledges receipt from the Investor of the Warrant; and

(b) The Investor hereby acknowledges receipt from the Company of a wire transfer to the account of the Investor set forth on Schedule A hereto in immediately available funds of the aggregate purchase price set forth on Schedule A hereto, representing payment in full for the Warrant, determined in accordance with Section 4.9 of the Securities Purchase Agreement.

This letter agreement will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

This letter agreement may be executed in any number of separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts will together constitute the same agreement. Executed signature pages to this letter agreement may be delivered by facsimile and such facsimiles will be deemed sufficient as if actual signature pages had been delivered.

In witness whereof, the parties have duly executed this letter agreement as of the date first written above.

UNITED STATES DEPARTMENT OF THE
TREASURY

By: /s/ David Miller

Name: David Miller

Title: Acting Chief Investment Officer

COMPANY:

UNION BANKSHARES CORPORATION

By: _____

Name:

Title:

UST No. 238

In witness whereof, the parties have duly executed this letter agreement as of the date first written above.

UNITED STATES DEPARTMENT OF THE
TREASURY

By: _____
Name:
Title:

COMPANY:

UNION BANKSHARES CORPORATION

By: /s/ D. Anthony Peay
Name: D. Anthony Peay
Title: Executive Vice President and
Chief Financial Officer

Company Information:

Name of the Company:	Union Bankshares Corporation
Corporate or other organizational form of the Company:	Stock Corporation
Jurisdiction of organization of the Company:	Commonwealth of Virginia

Information related to the Preferred Share Repurchase:

Date of Repurchase Letter Agreement for the repurchase of 59,000 of the Preferred Shares:	November 18, 2009
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Terms of the Warrant Repurchase:

Date of Warrant Repurchase Notice:	December 16, 2009
Aggregate purchase price for the Warrant:	\$450,000

**Investor wire information for payment of purchase
price for the Warrant:**

ABA Number: 021000018
Bank: The Bank of New York Mellon
Account Name: BETA EESA Preferred Account
Account Number: GLA/111567