
**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) February 11, 2009

BASSETT FURNITURE INDUSTRIES, INCORPORATED

(Exact name of registrant as specified in its charter)

VIRGINIA
(State or other jurisdiction of
incorporation or organization)

0-209
(Commission File No.)

54-0135270
(I.R.S. Employer
Identification No.)

**3525 FAIRYSTONE PARK HIGHWAY
BASSETT, VIRGINIA**
(Address of principal executive offices)

24055
(Zip Code)

Registrant's telephone number, including area code 276/629-6000

(Former name or former address, if changed since last report)

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 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement

On February 11, 2009, Bassett Furniture Industries, Inc. received a waiver from its bank for the Company's net worth covenant violation which occurred at the end of the fourth quarter of fiscal 2008. Additionally, it received a reduction of its net worth covenant requirements for fiscal 2009 and 2010. The other terms of the facility, including the interest rate, were unchanged.

Item 9.01. Financial Statements and Exhibits

Exhibit 99 Waiver of covenant letter from Branch Banking & Trust Company to Bassett Furniture Industries, Inc. dated February 11, 2009.

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 hereunto duly authorized.

BASSETT FURNITURE INDUSTRIES, INCORPORATED

Date: February 18, 2009

By: /s/ Barry C. Safrit

Barry C. Safrit

Title: Senior Vice President, Chief Financial Officer

The logo for Branch Banking & Trust Co., featuring the letters "BB&T" in white on a red square background.**Branch Banking & Trust Co.**

February 11, 2009

Commercial

2120 Langhorne Road
Lynchburg, VA 24501Bassett Furniture Industries, Incorporated
Attn: Barry Safrit
3525 Fairystone Park Hwy
Bassett, VA 24055

Gentlemen:

As we have previously discussed, this letter serves as formal approval of the waiver of the covenant violation detailed below through November 29, 2009.

Specifically, the Bank hereby waives the covenant contained in Section 5.35 of the First Amendment to the Third Amended and Restated Credit Agreement by and between Branch Banking & Trust Company and Bassett Furniture Industries, Incorporated, dated August 7, 2008.

Furthermore, the Minimum Consolidated Tangible Net Worth requirement as defined in Section 5.35 is hereby amended as follows: Tangible Net Worth for each fiscal quarter ending in Fiscal Year 2009 or Fiscal Year 2010 will at no time be less than \$118,000,000.00, plus 100% of the cumulative Net Proceeds of Capital Stock/Conversion of Debt received during any period after the fiscal year ended November 29, 2008, calculated quarterly.

This waiver does not constitute a waiver of any other future covenant violations.

Thank you for choosing BB&T for all of your financial needs. Should you have questions or concerns, please do not hesitate to contact our office.

Sincerely,

/s/ John H. Sorrells, III

John H. Sorrells, III
Senior Vice President