

Home Federal Bancorp, Inc.
Form 424B3
November 16, 2007

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**PROSPECTUS OF HOME FEDERAL BANCORP, INC. (NEW)
PROXY STATEMENT OF HOME FEDERAL BANCORP, INC.**

Home Federal Bancorp, Inc., Home Federal Bank and Home Federal MHC are converting from the mutual holding company structure to a fully public ownership structure. Currently, Home Federal MHC owns 58.9% of the issued and outstanding shares of Home Federal Bancorp's common stock. The remaining 41.1% of Home Federal Bancorp's outstanding shares of common stock is owned by other stockholders, who are referred to as the public stockholders. As a result of the conversion, new Home Federal Bancorp, Inc., a Maryland corporation which was recently formed by Home Federal Bank, will become the parent holding company for Home Federal Bank.

Shares of Home Federal Bancorp's common stock owned by the public will be exchanged for between 7,103,110 and 9,610,090 shares of common stock of new Home Federal Bancorp (subject to increase to 11,051,604 shares as a result of market demand, regulatory considerations or changes in financial markets) so that Home Federal Bancorp's existing public stockholders will own approximately the same percentage of new Home Federal Bancorp common stock as they owned of Home Federal Bancorp's common stock immediately prior to the conversion. The actual number of shares that you will receive will depend on the exchange ratio, which will depend on the percentage of Home Federal Bancorp's common stock held by the public at the completion of the conversion, the final independent appraisal of new Home Federal Bancorp and the number of shares of new Home Federal Bancorp common stock sold in the offering described in the following paragraph. It will not depend on the market price of common stock. See *The Conversion and Stock Offering* *Effect of the Conversion on Current Stockholders* *Effect on Outstanding Shares of Home Federal Bancorp* for a discussion of the exchange ratio. Based on the \$13.07 per share closing price of Home Federal Bancorp's common stock as of the date of this proxy statement/prospectus, unless at least 11,735,875 shares of new Home Federal Bancorp are sold in the Offering (slightly below the mid-point of the offering range), the initial aggregate value of the new Home Federal Bancorp common stock you receive in the share exchange would be less than the aggregate market value of the Home Federal Bancorp common stock that you currently own. See *Risk Factors* *Holdings of New Home Federal Bancorp common stock may not be able to sell their shares when desired if a liquid trading market does not develop.*

Concurrently with the exchange offer, we are offering up to 13,800,000 shares of common stock of new Home Federal Bancorp, representing the 58.9% ownership interest of Home Federal MHC in Home Federal Bancorp, for sale to eligible depositors and the public at a price of \$10.00 per share. We may increase the maximum number of shares that we sell in the offering, without notice to persons who have subscribed for shares, by up to 15%, to 15,870,000 shares, as a result of market demand, regulatory considerations or changes in financial markets. The conversion of Home Federal MHC and the offering and exchange of common stock by new Home Federal Bancorp is referred to herein as the *conversion and offering*. After the conversion and offering are completed, Home Federal Bank will be a wholly-owned subsidiary of new Home Federal Bancorp, and 100% of the common stock of new Home Federal Bancorp will be owned by public stockholders. As a result of the conversion and offering, Home Federal MHC and Home Federal Bancorp will cease to exist.

Home Federal Bancorp's common stock is currently listed on the Nasdaq Global Market under the symbol *HOME*. We have applied to have the common stock of new Home Federal Bancorp listed for trading on the Nasdaq Global Select Market and we expect that the common stock will trade under the symbol *HOMED* for a period of 20 trading days after completion of the offering. Thereafter, new Home Federal Bancorp's trading symbol will revert to *HOME*. We cannot assure you that our common stock will be approved for listing on the Nasdaq Global Select Market. The conversion and offering cannot be completed unless the stockholders of Home Federal Bancorp approve the plan of conversion and reorganization. Home Federal Bancorp is holding a special meeting of stockholders at its main office located at 500 12th Avenue South, Nampa, Idaho, on Monday, December 17, 2007 at 1:00 p.m., Mountain time, to consider and vote upon:

1. The amended plan of conversion and reorganization (the *plan of conversion and reorganization*) of Home Federal MHC, Home Federal Bank and Home Federal Bancorp;
 2. The approval of the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the plan of conversion;
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3. Informational proposals with respect to the articles of incorporation and bylaws of new Home Federal Bancorp which were approved as part of the process in which the board of directors of Home Federal Bancorp approved the plan of conversion and reorganization. These proposals are informational in nature only, because the Office of Thrift Supervision regulations governing mutual to stock conversions do not provide for votes on matters other than the plan of conversion and reorganization. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if stockholders approve the plan of conversion and reorganization, regardless of whether stockholders vote to approve any or all of the informational proposals; and

4. Such other business that may properly come before the meeting (management is not aware of any such matters).

Home Federal Bancorp's board of directors unanimously recommends that its stockholders vote FOR the plan of conversion and reorganization, FOR the adjournment of the special meeting, and FOR the Informational Proposals.

This document serves as the proxy statement for the special meeting of stockholders of Home Federal Bancorp and the prospectus for the shares of new Home Federal Bancorp's common stock to be issued in exchange for shares of Home Federal Bancorp's common stock. We urge you to read this entire document carefully. You can also obtain information about our companies from documents that we have filed with the Securities and Exchange Commission and the Office of Thrift Supervision. This document does not serve as the prospectus relating to the offering by new Home Federal Bancorp of its shares of common stock in the subscription offering and any community offering or syndicated community offering, each of which will be made pursuant to a separate prospectus.

This investment involves a degree of risk, including the possible loss of principal. Please read Risk Factors beginning on page 6.

These securities are not deposits or savings accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

None of the Securities and Exchange Commission, the Office of Thrift Supervision or any state securities regulator has approved or disapproved of these securities or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

For assistance, please contact the Stock Information Center at (208) 468-5151.

The date of this proxy statement/prospectus is November 9, 2007, and it is first being mailed to stockholders of Home Federal Bancorp, Inc. on or about November 16, 2007.

REFERENCE TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Home Federal Bancorp, new Home Federal Bancorp, Home Federal MHC and Home Federal Bank from other documents that are not included in, or delivered with, this proxy statement/prospectus, including the plan of conversion and reorganization. This information is available to you without charge upon your written or oral request. You can obtain these documents relating to Home Federal Bancorp, new Home Federal Bancorp, Home Federal Bank or Home Federal MHC by requesting them in writing or by telephone from:

**Home Federal Bancorp
500 12th Avenue South
Nampa, Idaho 83651
Attention: Investor Relations
(208) 466-4634**

If you would like to request documents, you must do so no later than December 17, 2007 in order to receive them before Home Federal Bancorp's special meeting of stockholders. You will not be charged for any of these documents that you request.

For additional information, please see the section entitled "Where You Can Find More Information" beginning on page 194 of this proxy statement/prospectus. A copy of the plan of conversion and reorganization is also available for inspection at each of Home Federal Bank's branches.

For information on submitting your proxy, please refer to the instructions on the enclosed proxy card.

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You should rely only on the information contained in this proxy statement/prospectus or to which we have referred you. We have not authorized anyone to provide you with information that is different. This proxy statement/prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any of the securities offered hereby to any person in any jurisdiction in which such offer or solicitation would be unlawful. The affairs of Home Federal Bancorp, Home Federal MHC, new Home Federal Bancorp and Home Federal Bank and their subsidiaries may change after the date of this proxy statement/prospectus. Delivery of this proxy statement/prospectus and the exchange of shares of new Home Federal Bancorp common stock made hereunder does not mean otherwise.

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Home Federal Bancorp, Inc.
500 12th Avenue South
Nampa, Idaho 83651
(208) 466-4634

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held on December 17, 2007

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Home Federal Bancorp, Inc. will be held at its main office located at 500 12th Avenue South, Nampa, Idaho, on Monday, December 17, 2007 at 1:00 p.m., Mountain time, to consider and vote upon:

1. The approval of a plan of conversion and reorganization and the transactions contemplated thereby pursuant to which, among other things, new Home Federal Bancorp, Inc. will offer for sale shares of its common stock and shares of common stock of Home Federal Bancorp currently held by public stockholders will be exchanged for shares of common stock of new Home Federal Bancorp upon the conversion of Home Federal MHC, Home Federal Bank and Home Federal Bancorp from the mutual holding company structure to the stock holding company form;

2. The approval of the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the plan of conversion;

3. The following informational proposals:

- 3a Approval of an increase in the authorized shares of capital stock;
- 3b Approval of a provision in new Home Federal Bancorp's articles of incorporation requiring a super-majority stockholder vote to approve mergers, consolidations and similar transactions;
- 3c Approval of a provision in new Home Federal Bancorp's articles of incorporation limiting the ability of stockholders to remove directors;
- 3d Approval of a provision in new Home Federal Bancorp's articles of incorporation to limit the voting rights of shares beneficially owned in excess of 10% of new Home Federal Bancorp's outstanding voting stock;
- 3e Approval of a provision in new Home Federal Bancorp's articles of incorporation requiring a super-majority stockholder vote to amend certain provisions of new Home Federal Bancorp's articles of incorporation; and
- 3f Approval of a provision in new Home Federal Bancorp's bylaws requiring a super-majority stockholder vote to amend certain provisions of new Home Federal Bancorp's bylaws.

4. Such other business that may properly come before the meeting.

NOTE: The Board of Directors is not aware of any other business to come before the meeting.

The provisions of new Home Federal Bancorp's articles of incorporation and bylaws which are summarized as informational proposals 3a through 3f were approved as part of the process in which the board of directors of Home Federal Bancorp approved the plan of conversion and reorganization. These proposals are informational in nature only, because the office of Thrift Supervision regulations governing mutual to stock conversions do not provide for votes on matters other than the plan of conversion and reorganization. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational

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vote is requested will become effective if stockholders approve the plan of conversion and reorganization, regardless of whether stockholders vote to approve any or all of the informational proposals.

The board of directors has fixed November 9, 2007, as the record date for the determination of stockholders entitled to notice of and to vote at the special meeting and at an adjournment or postponement thereof. Upon written request addressed to the Secretary of Home Federal Bancorp at the address given above, stockholders may obtain an additional copy of this proxy statement/prospectus and/or a copy of the plan of conversion and reorganization. In order to assure timely receipt of the additional copy of the proxy statement/prospectus and/or the plan of conversion and reorganization, the written request should be received by Home Federal Bancorp by December 17, 2007. In addition, all such documents may be obtained by calling our Stock Information Center at (208) 468-5151, Monday through Thursday, between 9:00 a.m. and 5:00 p.m., and on Friday between 9:00 a.m. and 12:00 p.m., Mountain time.

By Order of the Board of Directors,

Daniel L. Stevens
Chairman, President and Chief
Executive Officer

Nampa, Idaho
November 9, 2007

QUESTIONS AND ANSWERS

FOR STOCKHOLDERS OF HOME FEDERAL BANCORP

You should read this document and the plan of conversion and reorganization for more information about the conversion and stock offering. The plan of conversion and reorganization has been conditionally approved by our regulators.

Q. What are stockholders being asked to approve?

A. Home Federal Bancorp stockholders as of November 9, 2007 are being asked to vote on the plan of conversion and reorganization. Under the plan of conversion and reorganization, Home Federal MHC will convert from the mutual holding company form to a stock holding company, and as part of such conversion, a new company, new Home Federal Bancorp will offer for sale, in the form of shares of its common stock, Home Federal MHC's 58.9% ownership interest in Home Federal Bancorp. In addition to the shares of common stock to be issued to those who purchase shares in the stock offering, public stockholders of Home Federal Bancorp as of the completion of the conversion, will receive shares of new Home Federal Bancorp common stock in exchange for their existing shares. Informational proposals relating to new Home Federal Bancorp's articles of incorporation are also described in this proxy statement/prospectus, but, due to Office of Thrift Supervision regulations, are not subject to a vote of the Home Federal Bancorp's stockholders. Home Federal Bancorp's stockholders are not being asked to approve these informational proposals at the special meeting.

In addition, Home Federal Bancorp stockholders are asked to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting approve the plan of conversion and reorganization.

Stockholders also are asked to vote on the following informational proposals with respect to the articles of incorporation and bylaws of new Home Federal Bancorp:

Approval of an increase in the authorized shares of capital stock;

Approval of a provision in new Home Federal Bancorp's articles of incorporation requiring a super-majority stockholder vote to approve mergers, consolidations and similar transactions;

Approval of a provision in new Home Federal Bancorp's articles of incorporation limiting the ability of stockholders to remove directors;

Approval of a provision in new Home Federal Bancorp's articles of incorporation to limit the voting rights of shares beneficially owned in excess of 10% of new Home Federal Bancorp's outstanding voting stock;

Approval of a provision in new Home Federal Bancorp's articles of incorporation requiring a super-majority stockholder vote to amend certain provisions of new Home Federal Bancorp's articles of incorporation; and

Approval of a provision in new Home Federal Bancorp's bylaws requiring a super-majority stockholder vote to amend certain provisions of new Home Federal Bancorp's bylaws.

The provisions of new Home Federal Bancorp's articles of incorporation and bylaws which are summarized as informational proposals 3a through 3f were approved as part of the process in which the board of directors of Home Federal Bancorp approved the plan of conversion and reorganization. These proposals are informational in nature only, because the Office of Thrift Supervision regulations governing mutual to stock conversions do not provide for votes on matters other than the plan of conversion and reorganization. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if stockholders approve the plan of conversion and reorganization, regardless of whether stockholders vote to approve any or all of the informational proposals. The provisions of new Home Federal Bancorp's articles of incorporation and bylaws which are summarized as informational proposals may have the effect of deterring or rendering more difficult attempts by third parties to obtain control of new Home Federal

Bancorp if such attempts are not approved by the Board of Directors, or may make the removal of the board of directors management, or the appointment of new directors, more difficult.

Q. What is the conversion?

A. Home Federal Bank, Home Federal Bancorp and Home Federal MHC are converting from a mutual holding company structure to a fully-public ownership structure. Currently, Home Federal MHC owns 58.9% of Home Federal Bancorp's common stock. The remaining 41.1% of common stock is owned by public stockholders. As a result of the conversion, our newly formed company, called new Home Federal Bancorp, will become the parent of Home Federal Bank.

Shares of common stock of new Home Federal Bancorp, representing the current 58.9% ownership interest of Home Federal MHC in Home Federal Bancorp, are being offered for sale to eligible depositors and to the public. At the completion of the conversion and offering, current public stockholders of Home Federal Bancorp will exchange their shares of Home Federal Bancorp common stock for shares of common stock of new Home Federal Bancorp.

After the conversion and offering are completed, Home Federal Bank will become a wholly-owned subsidiary of new Home Federal Bancorp, and 100% of the common stock of new Home Federal Bancorp will be owned by public stockholders. As a result of the conversion and offering, Home Federal MHC and Home Federal Bancorp will cease to exist.

See "The Conversion and Stock Offering" beginning on page 159 of this proxy statement/prospectus, for more information about the conversion.

Q. What will stockholders receive for their existing Home Federal Bancorp shares?

A. As more fully described in the section entitled "The Conversion and Stock Offering," depending on the number of shares sold in the stock offering, each share of common stock of Home Federal Bancorp that you own immediately prior to the completion of the conversion and stock offering will be exchanged for between 7,103,110 new shares of new Home Federal Bancorp at the minimum and 9,610,090 new shares of new Home Federal Bancorp at the maximum of the offering range (cash will be paid in lieu of fractional shares). For example, if you own 100 shares of Home Federal Bancorp common stock and the exchange ratio is 1.3364, after the conversion you will receive 133 shares of new Home Federal Bancorp common stock and \$6.40 in cash, the value of the fractional share, based on the \$10.00 per share offering price. Stockholders who hold shares in street-name at a brokerage firm will receive these funds in their brokerage account. Stockholders who have stock certificates will receive checks. The actual number of shares you receive will depend upon the number of shares we sell in our offering, which in turn will depend upon the final appraised value of new Home Federal Bancorp. The exchange ratio will adjust based on the number of shares sold in the offering. It will not depend on the market price of Home Federal Bancorp's common stock.

Q. What are the reasons for the conversion and offering?

A. We believe that this is the right time for Home Federal MHC to convert to the stock form. We are pursuing the conversion for the following general reasons:

The additional funds resulting from the offering will support continued growth and expansion as well as provide increased lending capability.

We believe that our current mutual holding company structure has limited our opportunities to acquire other institutions because we cannot now issue stock in an acquisition in an amount that would cause Home Federal MHC to own less than a majority of the outstanding shares of Home Federal Bancorp. We expect that our conversion will facilitate our ability to acquire other

institutions in the future by eliminating this requirement of majority ownership by our mutual holding company. Currently, we have no plans, agreements or understandings regarding any merger or acquisition transactions.

The conversion will increase the number of outstanding shares held by public stockholders and we expect our stock to have greater liquidity.

We believe that the conversion also will help us grow our loan portfolio, particularly in the commercial lending area. The increased capital from the offering proceeds will enable us to make larger loans than we have been able to in the past and make us a more effective competitor in our market areas. In order to capitalize on these opportunities we have hired and plan to hire several additional commercial lending officers who will focus on increasing our commercial loan portfolio. We believe that, as a stock-form institution, we may be in a better position to attract and retain quality loan officers. In addition, we plan to expand our banking franchise by opening additional branch offices. We are planning four to six new branches that we intend to open within the next 24 months. There is currently one new branch under construction in Nampa, Idaho and plans are being finalized for the construction of a new branch office in the Meridian, Idaho market in 2008. We hope to be able to use these new branches to enhance our commercial lending efforts in market areas in which we open new offices. In addition, we believe that there may be opportunities to make acquisitions of other financial institutions in the future, although we do not currently have any plans, agreements or understandings regarding any acquisition transactions. The proceeds from the offering as well as the stock form of ownership will facilitate our ability to consider acquisitions in the future.

Q. Why should I vote?

A. You are not required to vote, but your vote is very important. In order for us to implement the plan of conversion and reorganization, we must receive the affirmative vote of the holders of a majority of the outstanding shares of Home Federal Bancorp common stock, other than shares held by Home Federal MHC. **YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE PLAN OF CONVERSION AND REORGANIZATION.**

Q. What happens if I don't vote?

A. Your prompt vote is very important. Not voting will have the same effect as voting Against the plan of conversion and reorganization. Without sufficient favorable votes for the conversion, we will not proceed with the conversion and offering.

Q. How do I vote?

A. You should sign your proxy card and return it in the enclosed proxy reply envelope. **Please vote promptly. Not voting has the same effect as voting Against.**

Q. If my shares are held in street name, will my broker automatically vote on my behalf?

A. No. Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares, using the directions that your broker provides to you.

Q. What if I do not give voting instructions to my broker?

A. Your vote is important. If you do not instruct your broker to vote your shares by proxy they will not be voted, and each unvoted share will have the same effect as a vote against the plan of conversion and reorganization.

Q. How will my existing Home Federal Bancorp shares be exchanged?

A. The conversion of your shares of Home Federal Bancorp common stock into the right to receive shares of new Home Federal Bancorp common stock will occur automatically on the effective date of the conversion, although you will need to exchange your stock certificate(s) if you hold shares in certificate form. As soon as practicable after the effective date of the conversion and reorganization, our exchange agent will send a transmittal form to you. The transmittal forms are expected to be mailed promptly after the effective date and will contain instructions on how to submit the stock certificate(s) representing existing shares of Home Federal Bancorp common stock. No fractional shares of new Home Federal Bancorp common stock will be issued to you when the conversion is completed. For each fractional share that would otherwise be issued to a stockholder who holds a certificate, you will be paid by check an amount equal to the product obtained by multiplying the fractional share interest to which you would otherwise be entitled by \$10.00. If your shares are held in street name, you will automatically receive cash in lieu of fractional shares.

Q. Should I submit my stock certificates now?

A. No. If you hold your certificate(s), instructions for exchanging the shares will be sent to you after completion of the conversion and stock offering. If your shares are held in street name, rather than in certificate form, the share exchange will occur automatically upon completion of the conversion and stock offering.

Further Questions?

For answers to other questions, please read this proxy statement/prospectus. Questions about the stock offering or voting may be directed to the Stock Information Center by calling (208) 468-5151, Monday through Thursday, between 9:00 a.m. and 5:00 p.m., and on Friday between 9:00 a.m. and 12:00 p.m., Mountain time.

SUMMARY

The following summary highlights the material information from this proxy statement/prospectus and may not contain all the information that is important to you. You should read this entire document carefully, including the sections entitled Risk Factors and The Conversion and Stock Offering and the consolidated financial statements and the notes to the consolidated financial statements.

What This Document Is About

The boards of directors of Home Federal Bancorp, Home Federal MHC, Home Federal Bank and new Home Federal Bancorp have adopted a plan of conversion and reorganization pursuant to which Home Federal Bank will reorganize from a mutual holding company structure to a stock form holding company structure. As part of the conversion, Home Federal Bank formed new Home Federal Bancorp. Public stockholders of Home Federal Bancorp will receive shares in new Home Federal Bancorp in exchange for their shares of Home Federal Bancorp common stock based on an exchange ratio. This conversion to a stock holding company structure also includes the offering by new Home Federal Bancorp of shares of its common stock to eligible depositors and borrowers of Home Federal Bank in a subscription offering and, if necessary, to the public in a community offering and syndicated community offering. Following the conversion and offering, Home Federal MHC and Home Federal Bancorp will no longer exist and new Home Federal Bancorp will be the parent company of Home Federal Bank.

The conversion and offering cannot be completed unless the stockholders of Home Federal Bancorp approve the plan of conversion and reorganization. Home Federal Bancorp's stockholders will vote on the plan of conversion and reorganization at Home Federal Bancorp's special meeting. This document is the proxy statement used by Home Federal Bancorp's board of directors to solicit proxies for the special meeting. It is also the prospectus of new Home Federal Bancorp regarding the shares of new Home Federal Bancorp common stock to be issued to Home Federal Bancorp's stockholders in the share exchange. This document does not serve as the prospectus relating to the offering by new Home Federal Bancorp of its shares of common stock in the subscription offering and any community offering or syndicated community offering, each of which will be made pursuant to a separate prospectus.

In addition, informational proposals relating to new Home Federal Bancorp's articles of incorporation are also described in this proxy statement/prospectus, but, due to Office of Thrift Supervision regulations, are not subject to a vote of Home Federal Bancorp stockholders. Home Federal Bancorp stockholders are not being asked to approve these informational proposals at the special meeting.

The Home Federal Bancorp Special Meeting

Date, Time and Place. Home Federal Bancorp will hold its special meeting of stockholders to consider and vote on the plan of conversion and reorganization at its main office located at 500 12th Avenue South, Nampa, Idaho, on Monday, December 17, 2007 at 1:00 p.m., Mountain time.

Record Date. The record date for stockholders entitled to vote at the special meeting of stockholders is November 9, 2007. As of that date, 15,261,589 shares of Home Federal Bancorp common stock were outstanding and entitled to vote at the special meeting.

The Proposals. Stockholders will be voting on the following proposals at the special meeting:

1. Approval of the plan of conversion and reorganization;
2. Approval of the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the plan of conversion;

3. The approval of the following informational proposals:
 - 3a Approval of an increase in the authorized shares of capital stock;
 - 3b Approval of a provision in new Home Federal Bancorp's articles of incorporation requiring a super-majority stockholder vote to approve mergers, consolidations and similar transactions;
 - 3c Approval of a provision in new Home Federal Bancorp's articles of incorporation limiting the ability of stockholders to remove directors;
 - 3d Approval of a provision in new Home Federal Bancorp's articles of incorporation to limit the voting rights of shares beneficially owned in excess of 10% of new Home Federal Bancorp's outstanding voting stock;
 - 3e Approval of a provision in new Home Federal Bancorp's articles of incorporation requiring a super-majority stockholder vote to amend certain provisions of new Home Federal Bancorp's articles of incorporation; and
 - 3f Approval of a provision in new Home Federal Bancorp's bylaws requiring a super-majority stockholder vote to amend certain provisions of new Home Federal Bancorp's bylaws.
4. Any other matters that may properly come before the special meeting or any adjournment or postponement thereof (management is not aware of any such matters).

The provisions of new Home Federal Bancorp's articles of incorporation and bylaws which are summarized as informational proposals 3a through 3f were approved as part of the process in which the board of directors of Home Federal Bancorp approved the plan of conversion and reorganization. These proposals are informational in nature only, because the Office of Thrift Supervision's regulations governing mutual-to-stock conversions do not provide for votes on matters other than the plan of conversion and reorganization. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if stockholders approve the plan of conversion and reorganization, regardless of whether stockholders vote to approve any or all of the informational proposals. The provisions of new Home Federal Bancorp's articles of incorporation and bylaws which are summarized as informational proposals may have the effect of deterring or rendering more difficult attempts by third parties to obtain control of new Home Federal Bancorp if such attempts are not approved by the Board of Directors, or may make the removal of the board of directors management, or the appointment of new directors, more difficult.

Vote Required

Proposal 1: Approval of the plan of conversion and reorganization. We must obtain the affirmative vote of (i) the holders of a majority of the outstanding shares of common stock of Home Federal Bancorp, other than Home Federal MHC, and (ii) the holders of two-thirds of the votes eligible to be cast by stockholders of Home Federal Bancorp, including Home Federal MHC.

Proposal 2: Approval of the adjournment of the special meeting. We must obtain the affirmative vote of the majority of the votes cast by holders of outstanding shares of Home Federal Bancorp common stock to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to approve the plan of conversion and reorganization.

Informational Proposals 3a through 3f. The provisions of new Home Federal Bancorp's articles of incorporation and bylaws which are summarized as informational proposals 3a through 3f were approved as part of

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the process in which the board of directors of Home Federal Bancorp approved the plan of conversion and reorganization. These proposals are informational in nature only, because the Office of Thrift Supervision regulations governing mutual to stock conversions do not provide for votes on matters other than the plan of conversion and reorganization. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if stockholders approve the plan of conversion and reorganization, regardless of whether stockholders vote to approve any or all of the informational proposals. The provisions of new Home Federal Bancorp's articles of incorporation and bylaws which are summarized as informational proposals may have the effect of deterring or rendering more difficult attempts by third parties to obtain control of new Home Federal Bancorp if such attempts are not approved by the Board of Directors, or may make the removal of the board of directors management, or the appointment of new directors, more difficult.

Other Matters. We must obtain the affirmative vote of the majority of the votes cast by holders of outstanding shares of common stock of Home Federal Bancorp.

As of the voting record date, the directors and executive officers of Home Federal Bancorp owned 654,712 shares, or approximately 4.3% of the outstanding shares of Home Federal Bancorp common stock eligible to vote at the special meeting and Home Federal MHC owned 8,979,246 shares, or approximately 58.9% of the outstanding shares of Home Federal Bancorp common stock. Home Federal MHC will vote all of its shares FOR the plan of conversion and reorganization, FOR approval of the adjournment of the special meeting, and FOR each of the Informational Proposals 3a through 3f.

Your board of directors unanimously recommends that you vote FOR the plan of conversion and reorganization, FOR the adjournment of the special meeting, and FOR the Informational Proposals 3a through 3f.

The Companies

New Home Federal Bancorp, Inc. New Home Federal Bancorp is a newly formed Maryland corporation. New Home Federal Bancorp is offering for sale to certain depositors and borrowers of Home Federal Bank and others, shares of its common stock representing the 58.9% ownership interest in Home Federal Bancorp, the mid-tier stock holding company, that is currently owned by Home Federal MHC. The remaining 41.1% ownership interest in Home Federal Bancorp is currently owned by other stockholders (who are sometimes referred to as the public stockholders) and will be exchanged for shares of new Home Federal Bancorp's common stock based on an exchange ratio of 1.1360 to 1.5369. The exchange ratio may be increased to as much as 1.7674 in the event the maximum of the offering range is increased by 15%. The actual exchange ratio will be determined at the closing of the offering and will depend on the number of shares of new Home Federal Bancorp's common stock sold in the stock offering. The executive offices of new Home Federal Bancorp are located at 500 12th Avenue South, Nampa, Idaho 83651, and its telephone number is (208) 466-4634.

Home Federal Bank. Home Federal Bank was founded in 1920 as a building and loan association and reorganized as a federal mutual savings and loan association in 1936. We are a community-based financial institution primarily serving the Boise, Idaho and surrounding metropolitan area known as the Treasure Valley region of southwestern Idaho, including Ada, Canyon, Elmore and Gem counties. We conduct our operations through our 15 full-service banking offices, and two loan centers. Included in our 15 full-service banking offices are six Wal-Mart in-store branch locations. We are in the business of attracting deposits from the public and utilizing those deposits, along with other borrowings, to originate loans. We offer a wide range of loan products to meet the demands of our customers. Historically, lending activities have been primarily directed toward the origination of residential and commercial real estate loans. Real estate lending activities have been primarily focused on first mortgages on owner occupied, one- to four-family residential properties. To an increasing extent in recent years, lending activities have also included the origination of residential and commercial construction and land development loans and home equity loans. While continuing our commitment to residential lending, management expects commercial lending, including commercial real estate, builder finance and commercial business lending, to

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become increasingly important activities for us. Consistent with this strategy, we appointed Mr. Len E. Williams as President of Home Federal Bank in September 2006 and to Home Federal Bancorp's board of directors in April 2007. Mr. Williams has extensive experience in business related lending. Before starting his tenure with us, Mr. Williams served as Senior Vice President and Head of Business Banking of Fifth Third Bank and held several management positions with Key Bank, including President of Business Banking from 2003 to 2005. We expect him to succeed Mr. Daniel L. Stevens, Home Federal Bancorp's Chairman, President and Chief Executive Officer, as President and Chief Executive Officer of new Home Federal Bancorp and Home Federal Bank in October 2008.

At June 30, 2007, we had total assets of \$728.3 million, deposit accounts of \$418.7 million and equity of \$110.0 million. Home Federal Bank maintains a website at www.myhomefed.com. The information on our website is not part of this proxy statement/prospectus.

Home Federal MHC. Home Federal MHC currently is the mutual holding company parent of Home Federal Bancorp. The principal business purpose of Home Federal MHC is owning more than a majority of the outstanding shares of common stock of Home Federal Bancorp. Home Federal MHC currently owns 58.9% of the outstanding shares of Home Federal Bancorp. Home Federal MHC will no longer exist upon completion of the conversion and offering.

Home Federal Bancorp, Inc. Home Federal Bancorp, Inc. is a federal corporation and a mid-tier stock holding company that owns 100% of Home Federal Bank. It was formed in 2004 in connection with the reorganization of Home Federal Bank into the mutual holding company form of organization. Effective with the reorganization, it became a stock holding company and the wholly-owned subsidiary of Home Federal MHC, a federally chartered mutual holding company.

Home Federal Bancorp conducts its business as a savings and loan holding company and has no significant liabilities. Its primary business consists of directing, planning and coordinating the business activities of Home Federal Bank.

Stockholders of Home Federal Bancorp who receive new Home Federal Bancorp common stock in exchange for their stock in the conversion will receive lesser rights as stockholders than they currently have.

As a result of the conversion, existing stockholders of Home Federal Bancorp will become stockholders of new Home Federal Bancorp. The rights of stockholders of new Home Federal Bancorp will be less than the rights Home Federal Bancorp stockholders currently have. The decrease in stockholder rights results from differences between the articles of incorporation and bylaws of new Home Federal Bancorp and the charter and bylaws of Home Federal Bancorp and from distinctions between Maryland and federal law. The differences in stockholder rights under the articles of incorporation and bylaws of new Home Federal Bancorp are not mandated by Maryland law but have been chosen by management as being in the best interests of the corporation and all of its stockholders. However, the provisions in new Home Federal Bancorp's articles of incorporation and bylaws may make it more difficult to pursue a takeover attempt that management opposes. These provisions will also make the removal of the Board of Directors or management, or the appointment of new directors, more difficult. A comparison of the differences in stockholder rights include the following:

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	Home Federal Bancorp	New Home Federal Bancorp
Increased vote for removal of directors for cause	Directors may be removed for cause by the affirmative vote of a majority of the outstanding shares.	Directors may be removed for cause by an affirmative vote of 80% or more of the outstanding shares.
Additional lead time for stockholder proposals and director nominations	Any stockholder proposal for an annual meeting must be submitted five days before the meeting for new business and 60 days before the meeting for nominations for directors.	Any stockholder proposal for an annual meeting must be submitted not less than 90 days nor more than 120 days before the anniversary of the preceding year's meeting. Nominations for directors must be submitted not less than 90 days nor more than 120 days before the meeting.
Increased vote to amend articles of incorporation	Need to be approved by board of directors and preliminarily approved by the Office of Thrift Supervision and a majority of the total votes of stockholders eligible to be cast.	Generally may be amended by a majority vote of stockholders except certain provisions require approval by the holders of 80% or more of the outstanding shares.
Increased vote to amend bylaws	Need a majority vote of board of directors or a majority of votes cast by stockholders as well as approval from the Office of Thrift Supervision.	Majority vote of the board of directors or the affirmative vote of 80% or more of the outstanding shares.
Requirement for approval of business combinations with interested stockholders	No requirement.	Certain business combinations involving interested shareholders require the affirmative vote of 80% or more of the outstanding shares.
Greater vote required to call a special meeting of stockholders	May be called by Chairman, President, a majority of the board of directors or holders of not less than 10% of the outstanding shares.	May be called by President, a majority of the board of directors or holders of not less than a majority of the outstanding shares.
Restrictions on payment of greenmail	No requirement.	Prohibits new Home Federal Bancorp from acquiring shares from any owner of 5% or more of the outstanding shares unless certain conditions are satisfied.
Additional limitation on voting shares held in excess of 10% of the outstanding shares after five years from the conversion	No restriction after five years.	May not vote shares held in excess of 10% of the outstanding shares.

See Comparison of Rights of New Home Federal Bancorp and Home Federal Bancorp's Stockholders for a further discussion of these differences.

RISK FACTORS

You should consider these risk factors, in addition to the other information in this prospectus, in deciding how to vote on the conversion and before deciding whether to make an investment in new Home Federal Bancorp's stock.

Risks Related to Our Business

Our increased emphasis on commercial lending may expose us to increased lending risks.

Our business strategy is focused on the expansion of commercial real estate, construction and land development and commercial business lending. These types of lending activities, while potentially more profitable than single-family residential lending, are generally more sensitive to regional and local economic conditions, making loss levels more difficult to predict. Collateral evaluation and financial statement analysis in these types of loans requires a more detailed analysis at the time of loan underwriting and on an ongoing basis. While economic trends in the Treasure Valley Region of Southwest Idaho have been relatively positive, a decline in real estate values, would reduce the value of the real estate collateral securing our loans and increase the risk that we would incur losses if borrowers defaulted on their loans. In addition, these loans generally expose a lender to greater risk of non-payment and loss than one- to four-family residential mortgage loans because repayment of the loans often depends on the successful operation of the property and the income stream of the borrowers. Further, such loans typically involve larger loan balances to single borrowers or groups of related borrowers compared to one- to four-family residential mortgage loans. Also, many of our commercial borrowers have more than one loan outstanding with us. Consequently, an adverse development with respect to one loan or one credit relationship can expose us to a significantly greater risk of loss compared to an adverse development with respect to a one- to four-family residential mortgage loan. Accordingly, when there are defaults and losses on these types of loans, they are often larger on a per loan basis than those for permanent single-family or consumer loans. A secondary market for most types of commercial real estate and construction loans is not readily liquid, so we have less opportunity to mitigate credit risk by selling part or all of our interest in these loans.

Our business strategy includes significant growth plans, and our financial condition and results of operations could be negatively affected if we fail to grow or fail to manage our growth effectively.

We intend to continue pursuing a significant growth strategy for our business. Our growth initiatives are based upon recruiting experienced personnel to lead such initiatives, and, accordingly, the failure to identify and retain such personnel would place significant limitations on our ability to execute our growth strategy. In addition, achieving our growth targets requires us to attract customers that currently have banking relationships with other financial institutions in our market, thereby increasing our share of the market. To the extent we expand our lending beyond our current market area, we could incur additional risk related to those new market areas. We cannot assure that we will be able to expand our market presence in our existing markets or successfully enter new markets or that any such expansion will not adversely affect our profitability. If we do not manage our growth effectively, we may not be able to achieve our business plan, and our business, profitability and prospects could be harmed. Also, if our growth occurs more slowly than anticipated or declines, our profitability could be materially adversely affected.

Our ability to successfully grow will depend on a variety of factors, including our ability to attract and retain experienced bankers, the continued availability of desirable business opportunities, the competitive responses from other financial institutions in our market area and our ability to manage our growth. While we believe we have the executive management resources and internal systems in place to successfully manage our future growth, there can be no assurance growth opportunities will be available or that we will successfully manage our growth.

We are highly dependent on key individuals and a number of the members of the original senior management team that were in place at the time of our mutual holding company reorganization have either left Home Federal Bank or will be retiring in the next year and as a result there will be a new management team leading us going forward.

Consistent with our policy of focusing on select growth initiatives we are highly dependent on the continued services of a limited number of our executive officers and key management personnel. The loss of services of any of these individuals could have a material adverse impact on our operations because other officers may not have the experience and expertise to readily replace these individuals.

The senior management team of Home Federal Bancorp in place at the time of the mutual holding company reorganization had worked together for a number of years and, until recently, virtually all of them had worked for us for five years or more. Daniel L. Stevens who has been our President and Chief Executive Officer since 1995 announced that he will retire on September 30, 2008 and has begun the transition to his retirement, including working with his replacement, Len E. Williams. Roger D. Eisenbarth who was our Senior Vice President and Chief Lending Officer since 1993 retired on October 15, 2007. Karen Wardwell who was a Senior Vice President in Operations and Technology left in June 2007 and T. Blake Burgess our Corporate Secretary and Director of Accounting left in August 2007. In addition, we are currently interviewing potential candidates for the Chief Financial Officer position. Once this individual is hired, Robert A. Schoelkopf, our current Chief Financial Officer, will continue to serve as Treasurer and Secretary of Home Federal Bancorp and Home Federal Bank.

While we believe we have in place qualified individuals to replace these individuals and have provided for an orderly transition, the new individuals will need to develop a cohesive and unified management team. Changes in key personnel and their responsibilities may be disruptive to our business and could have a material adverse effect on our business, financial condition and profitability. Moreover, our anticipated growth is expected to place increased demands on our human resources and will require the recruitment of additional middle management personnel. The competition to hire experienced banking professionals is also intense. If we are unable to attract qualified banking professionals, our expansion plans could be delayed or curtailed and our business, financial condition, and profitability may be adversely affected.

Fluctuations in interest rates could reduce our profitability and affect the value of our assets.

Like other financial institutions, we are subject to interest rate risk. Our primary source of income is net interest income, which is the difference between interest earned on loans and investments and the interest paid on deposits and borrowings. We expect that we will periodically experience imbalances in the interest rate sensitivities of our assets and liabilities and the relationships of various interest rates to each other. Over any defined period of time, our interest-earning assets may be more sensitive to changes in market interest rates than our interest-bearing liabilities, or vice versa. In addition, the individual market interest rates underlying our loan and deposit products (*e.g.*, prime) may not change to the same degree over a given time period. In any event, if market interest rates should move contrary to our position, our earnings may be negatively affected. In addition, loan volume and quality and deposit volume and mix can be affected by market interest rates. Changes in levels of market interest rates could materially affect our net interest spread, asset quality, origination volume, and overall profitability.

Interest rates have recently been at historically low levels. However, since June 30, 2004, the U.S. Federal Reserve Board has increased its target for the federal funds rate 17 times, from 1.00% to 5.25%. On September 18, 2007 and October 31, 2007, the U.S. Federal Reserve Board reduced the federal fund rate 0.25% to the current rate of 4.50%. While these short-term market interest rates (which we use as a guide to price our deposits) have increased, longer-term market interest rates (which we use as a guide to price our longer-term loans such as one- to four-family residential mortgages) have not reacted to the same degree. This flattening of the market yield curve has had a negative impact on our interest rate spread and net interest margin to date. If short-term interest rates continue to rise, and if rates on our deposits and borrowings continue to reprice upwards faster than the rates on our long-term loans and investments, we would experience further compression of our interest rate spread and net interest margin, which would have a negative effect on our profitability. In a declining rate environment, we may be

susceptible to the prepayment or refinancing of high rate loans, which could reduce our profitability. Further, we may have to redeploy loan proceeds received into lower yielding assets, which may also negatively impact our profitability.

We principally manage interest rate risk by managing our volume and mix of our earning assets and funding liabilities. In a changing interest rate environment, we may not be able to manage this risk effectively. If we are unable to manage interest rate risk effectively, our business, financial condition and results of operations could be materially harmed.

Changes in the level of interest rates also may negatively affect our ability to originate real estate loans, the value of our assets and our ability to realize gains from the sale of our assets, all of which ultimately affect our earnings. At June 30, 2007, we had \$215.2 million in loans due after one year with fixed rates of interest, representing 43.4% of our total loan portfolio and 29.5% of our total assets. Our most recent rate shock analysis indicates that our net portfolio value would be more adversely affected by an increase in interest rates than by a decrease. See Management's Discussion and Analysis of Financial Condition and Results of Operations - Asset and Liability Management and Market Risk.

Our business is subject to various lending risks which could adversely impact our results of operations and financial condition.

Our business strategy centers on the continued transition to commercial banking activities in order to expand our net interest margin. Consistent with this strategy, we are working to further reduce the percentage of our assets that are lower-yielding residential loans and mortgage-backed securities and to increase the percentage of our assets consisting of construction and land development, commercial and multi-family real estate and commercial business loans that have higher risk-adjusted returns. Our increasing focus on these types of lending will continue to increase our risk profile relative to traditional thrift institutions as we continue to implement our business strategy for the following reasons:

Our commercial and multi-family real estate loans involve higher principal amounts than other loans and repayment of these loans may be dependent on factors outside our control or the control of our borrowers. We originate commercial and multi-family real estate loans for individuals and businesses for various purposes which are secured by commercial properties. As of June 30, 2007, \$134.7 million, or 27.2% and \$6.9 million, or 1.4% (excluding commercial real estate construction loans of \$15.2 million), of our total loan portfolio was secured by commercial and multi-family real estate property, respectively.

The credit risk related to commercial and multi-family real estate loans is considered to be greater than the risk related to one- to four-family residential or consumer loans because the repayment of commercial and multifamily real estate loans typically is dependent on the income stream of the real estate securing the loan as collateral and the successful operation of the borrower's business, which can be significantly affected by conditions in the real estate markets or in the economy. For example, if the cash flow from the borrower's project is reduced as a result of leases not being obtained or renewed, the borrower's ability to repay the loan may be impaired. In addition, many of our commercial and multi-family real estate loans are not fully amortizing and contain large balloon payments upon maturity. These balloon payments may require the borrower to either sell or refinance the underlying property in order to make the balloon payment.

If we foreclose on a commercial and multi-family real estate loan, our holding period for the collateral typically is longer than for one- to four-family residential mortgage loans because there are fewer potential purchasers of the collateral. Additionally, commercial and multi-family real estate loans generally have relatively large balances to single borrowers or related groups of borrowers. Accordingly, if we make any errors in judgment in the collectibility of our commercial and multi-family real estate loans, any resulting charge-offs may be larger on a per loan basis than those incurred with our residential or consumer loan portfolios. See Business of Home Federal Bancorp and Home Federal Bank - Lending Activities - Commercial and Multi-Family Real Estate Lending.

Our construction and land development loans are based upon estimates of costs and value associated with the complete project. We make land purchase, lot development and real estate construction loans to individuals and builders, primarily for the construction of residential properties and, to a lesser extent, commercial and multi-family real estate projects. We will originate these loans whether or not the collateral property underlying the loan is under contract for sale. Residential real estate construction loans include single-family tract construction loans for the construction of entry level residential homes. Over the last two years, we have significantly increased the amount of construction and land development loans in our loan portfolio, both in dollar amounts and as a percentage of our total loans. At June 30, 2007, \$46.2 million or 9.32% of our total loan portfolio consisted of construction and land development loans.

Our construction and land development loans are based upon estimates of costs and values associated with the completed project, which may be inaccurate. Construction and land development lending involves additional risks when compared with permanent residential lending because funds are advanced upon the security of the project, which is of uncertain value prior to its completion. Because of the uncertainties inherent in estimating construction costs, as well as the market value of the completed project and the effects of governmental regulation of real property, it is relatively difficult to evaluate accurately the total funds required to complete a project and the related loan-to-value ratio. This type of lending also typically involves higher loan principal amounts and is often concentrated with a small number of builders. These loans often involve the disbursement of substantial funds with repayment primarily dependent on the success of the ultimate project and the ability of the borrower to sell or lease the property or obtain permanent take-out financing, rather than the ability of the borrower or guarantor to repay principal and interest. If our appraisal of the value of a completed project proves to be overstated, we may have inadequate security for the repayment of the loan upon completion of construction of the project and may incur a loss. Our ability to continue to originate a significant amount of construction loans is dependent on the continued strength of the housing market in the Treasure Valley Region of Southwest, Idaho. Further, if we lost our relationship with one or more of our larger borrowers building in these counties or there is a decline in the demand for new housing in these counties, it is expected that the demand for construction loans would decline, our liquidity would substantially increase and our net income would be adversely affected.

Repayment of our commercial business loans is often dependent on the cash flows of the borrower, which may be unpredictable, and the collateral securing these loans may fluctuate in value. At June 30, 2007, commercial business loans totaled \$4.1 million of our total loan portfolio, however, we intend to significantly expand these types of loans as a percentage of our total loan portfolio. Our commercial business loans are primarily made based on the identified cash flow of the borrower and secondarily on the underlying collateral provided by the borrower. Most often, this collateral consists of accounts receivable, inventory or equipment. Credit support provided by the borrower for most of these loans and the probability of repayment is based on the liquidation of the pledged collateral and enforcement of a personal guarantee, if any exists. As a result, in the case of loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of the borrower to collect amounts due from its customers. The collateral securing other loans may depreciate over time, may be difficult to appraise and may fluctuate in value based on the success of the business.

If our allowance for loan losses is not sufficient to cover actual loan losses, our earnings could be reduced.

We make various assumptions and judgments about the collectibility of our loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of our loans. In determining the amount of the allowance for loan losses, we review our loans and our loss and delinquency experience, and evaluate economic conditions. Management recognizes that significant new growth in loan portfolios, new loan products and the refinancing of existing loans can result in portfolios comprised of unseasoned loans that may not perform in a historical or projected manner. If our assumptions are incorrect, our allowance for loan losses may not be sufficient to cover actual losses, resulting in additions to our allowance. Material additions to our allowance could materially decrease our net income. In addition, bank regulators periodically review our allowance for loan losses and may require us to increase our provision for loan losses or recognize additional loan charge-offs. Any increase in our allowance for loan losses or

loan charge-offs as required by these regulatory authorities could have a material adverse effect on our financial condition and profitability.

If the value of real estate in the Boise metropolitan area were to decline materially, a significant portion of our loan portfolio could become under-collateralized, which could have a material adverse effect on us.

With substantially all of our loans secured by real property and concentrated in the State of Idaho, and specifically 43.9%, 30.0%, 4.4% and 3.2%, respectively, of our total loan portfolio concentrated in Ada, Canyon, Elmore and Gem counties, Idaho, respectively, a decline in local economic conditions could adversely affect the values of our real estate collateral. As a result, we have a greater risk of loan defaults and losses in the event of an economic downturn in our market area as adverse economic changes may have a negative effect on the ability of our borrowers to make timely repayment of their loans. Consequently, a decline in local economic conditions may have a greater effect on our earnings and capital than on the earnings and capital of larger financial institutions whose real estate loan portfolios are geographically diverse. If we are required to liquidate a significant amount of collateral during a period of reduced real estate values to satisfy the debt, our financial condition and profitability could be adversely affected.

Because our loans are concentrated to borrowers in our market area, a downturn in the local economy or a decline in local real estate values could cause increases in nonperforming loans, which could hurt our profits.

Because the majority of our borrowers and depositors are individuals and businesses located and doing business in the Boise and surrounding metropolitan area, our success depends to a significant extent upon economic conditions in the Boise and surrounding metropolitan area. Adverse economic conditions in our market area could reduce our growth rate, affect the ability of our customers to repay their loans and generally affect our financial condition and results of operations. Conditions such as inflation, recession, unemployment, high interest rates, short money supply, scarce natural resources, international disorders, terrorism and other factors beyond our control may adversely affect our profitability. We do not have the ability of a larger institution to spread the risks of unfavorable local economic conditions across a large number of diversified economies. Any sustained period of increased payment delinquencies, foreclosures or losses caused by adverse market or economic conditions in the State of Idaho could adversely affect the value of our assets, revenues, profitability and financial condition. Moreover, we cannot give any assurance we will benefit from any market growth or favorable economic conditions in our primary market areas if they do occur.

The building of market share through our branching strategy could cause our expenses to increase faster than revenues.

We intend to continue to build market share through our branching strategy. We are planning four to six new branches that we intend to open within the next 24 months. There are costs involved in opening branches and new branches generally require a period of time to generate sufficient revenues to offset their costs, especially in areas in which we do not have an established presence. Accordingly, any new branch may negatively impact our earnings for some period of time until the branch reaches certain economies of scale. Our expenses could be further increased if we encounter delays in the opening of any of our new branches. Finally, there is a risk that our new branches will not be successful even after they have been established.

If external funds are not available, this could adversely impact our growth and future prospects.

We rely on deposits, brokered deposits, Federal Home Loan Bank advances and other borrowings to fund our operations. Although we have historically been able to replace maturing deposits if desired, no assurance can be given that we will be able to replace such funds in the future if our financial condition or market conditions were to change. Although we consider the sources of existing funds adequate for our current liquidity needs, we may seek additional brokered deposits or debt in the future to achieve our long-term business objectives. There can be no assurance additional funds, if sought, would be available to us or, if available, would be on favorable terms. If

additional financing sources are unavailable or are not available on reasonable terms, our growth and future prospects could be adversely affected.

We face strong competition from other financial institutions, financial service companies and other organizations offering services similar to those offered by us, which could limit our growth and profitability.

We face direct competition from a significant number of financial institutions, many with a state-wide or regional presence, and in some cases a national presence, in both originating loans and attracting deposits. Competition in originating loans comes primarily from other banks, mortgage companies and consumer finance institutions that make loans in our primary market areas. We also face substantial competition in attracting deposits from other banking institutions, money market and mutual funds, credit unions and other investment vehicles.

In addition, banks with larger capitalization and non-bank financial institutions that are not governed by bank regulatory restrictions have large lending limits and are better able to serve the needs of larger customers. Many of these financial institutions are also significantly larger and have greater financial resources than us, have been in business for a long period of time and have established customer bases and name recognition.

We compete for loans principally on the basis of interest rates and loan fees, the types of loans we originate and the quality of service we provide to borrowers. Our ability to attract and retain deposits requires that we provide customers with competitive investment opportunities with respect to rate of return, liquidity, risk and other factors. To effectively compete, we may have to pay higher rates of interest to attract deposits, resulting in reduced profitability. If we are not able to effectively compete in our market area, our profitability may be negatively affected, potentially limiting our ability to pay dividends. The greater resources and deposit and loan products offered by some of our competitors may also limit our ability to increase our interest-earning assets. See Business of Home Federal Bancorp and Home Federal Bank Competition.

We continually encounter technological change, and we may have fewer resources than many of our competitors to continue to invest in technological improvements.

The financial services industry is undergoing rapid technological changes, with frequent introductions of new technology-driven products and services. The effective use of technology increases efficiency and enables financial institutions to better serve customers and to reduce costs. Our future success will depend, in part, upon our ability to address the needs of our clients by using technology to provide products and services that will satisfy client demands for convenience, as well as to create additional efficiencies in our operations. Many of our competitors have substantially greater resources to invest in technological improvements. We may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to our customers.

We are subject to extensive regulation which could adversely affect our business.

Our operations are subject to extensive regulation by federal, state and local governmental authorities and are subject to various laws and judicial and administrative decisions imposing requirements and restrictions on part or all of our operations. Because our business is highly regulated, the laws, rules and regulations applicable to it are subject to regular modification and change. Regulatory authorities have extensive discretion in their supervisory and enforcement activities, including the imposition of restrictions on our operations, the classification of our assets and determination of the level of our allowance for loan losses. Any change in this regulation and oversight, whether in the form of regulatory policy, regulations, legislation or supervisory action, may have a material impact on our operations or otherwise materially and adversely affect our business, financial condition, prospects or profitability. See How We Are Regulated Regulation and Supervision of Home Federal Bank.

Risks Related to the Offering

The Market Value of new Home Federal Bancorp Common Stock Received in the Share Exchange May Be Less than the Market Value of Home Federal Bancorp Common Stock Exchanged

The number of shares of new Home Federal Bancorp common stock you receive will be based on an exchange ratio which will be determined as of the date of completion of the conversion and offering. The exchange ratio will be based on the percentage of Home Federal Bancorp common stock held by the public prior to the conversion, the final independent appraisal of new Home Federal Bancorp common stock prepared by RP Financial and the number of shares of common stock sold in the offering. The exchange ratio will ensure that existing public shareholders of Home Federal Bancorp common stock will own approximately the same percentage of new Home Federal Bancorp common stock after the conversion and offering as they owned of Home Federal Bancorp common stock immediately prior to completion of the conversion and offering, exclusive of the effect of their purchase of additional shares in the offering and the receipt of cash in lieu of fractional shares. The exchange ratio will not depend on the market price of Home Federal Bancorp's common stock.

The exchange ratio ranges from a minimum of 1.1360 to a maximum of 1.5369 shares of new Home Federal Bancorp common stock per share of Home Federal Bancorp common stock. Under certain circumstances, the pro forma market value can be adjusted upward by 15.0% to reflect changes in market conditions, and, at the adjusted maximum, the exchange ratio would be 1.7674 shares of new Home Federal Bancorp common stock per share of Home Federal Bancorp common stock. Shares of new Home Federal Bancorp common stock issued in the share exchange will have an initial value of \$10.00 per share. The exchange ratio and the number of shares of new Home Federal Bancorp you would receive in exchange for your Home Federal Bancorp shares will be determined by the number of shares we sell in the offering. The higher the number of shares sold, the higher the exchange ratio. If the offering closes at the minimum of the offering range and you own 100 shares of Home Federal Bancorp common stock, you would receive 113 shares of new Home Federal Bancorp common stock, which would have an initial value of \$1,130 based on the offering price, plus \$6.00 cash. If the offering closes at 15% above the maximum of the offering range, you would receive 176 shares of new Home Federal Bancorp common stock for each 100 shares of Home Federal Bancorp stock, with an initial value of \$1,760 based on the offering price, plus \$7.00 cash. As a result of current market conditions, there have been significant declines in the stock prices of many financial institutions. To the extent that such declines continue, this could reduce the appraisal of new Home Federal Bancorp common stock as well as the number of shares of common stock that are sold in the offering. The result of this would be to reduce the exchange ratio and consequently the number of shares you receive of new Home Federal Bancorp common stock in exchange for your shares of Home Federal Bancorp common stock. We cannot tell you today whether the offering will close at the minimum or some other point in the valuation range. Depending on the exchange ratio and the market value of Home Federal Bancorp common stock at the time of the exchange, the initial market value of the new Home Federal Bancorp common stock that you receive in the share exchange could be less than the market value of the Home Federal Bancorp common stock that you currently own. Based on the \$13.07 per share closing price of Home Federal Bancorp common stock as of the date of this proxy/prospectus, unless at least 11,735,875 shares of new Home Federal Bancorp common stock are sold in the offering (slightly below the mid-point of the offering range), the initial value of the new Home Federal Bancorp common stock you receive in the share exchange would be less than the market value of the Home Federal Bancorp common stock you currently own. See "The Conversion and Stock Offering - Delivery and Exchange of Stock Certificates" and "The Conversion and Stock Offering - Effect of the Conversion on Current Stockholders."

After this offering, our compensation expenses will increase and our return on equity will be low compared to other companies. These factors could negatively impact the price of our stock.

The proceeds we will receive from the sale of our common stock will significantly increase our capital and it will take us time to fully deploy those proceeds in our business operations. Our compensation expense will increase because of the costs associated with the employee stock ownership and new stock-based incentive plans. These additional expenses will adversely affect our net income. We cannot determine the actual amount of these new stock-related compensation and benefit expenses at this time because applicable accounting practices generally

require that they be based on the fair market value of the options or shares of common stock at the date of the grant; however, we expect them to be significant. We will recognize expenses for our employee stock ownership plan when shares are committed to be released to participants accounts and will recognize expenses for restricted stock awards and stock options generally over the vesting period of awards made to recipients. We estimate, once these plans are adopted, the increase in compensation expense will be approximately \$1.6 million on an after-tax basis, based on the maximum of the valuation range. As a result we expect our return on equity to be below our historical level and less than many of our regional and national peers. Following the first step conversion, which occurred in December 2004, return on equity decreased from 10.47% for the year ended September 30, 2004 to 5.69% for the year ended September 30, 2005. In addition, return on assets also decreased from 0.93% for the year ended September 30, 2004 to 0.82% for the year ended September 30, 2005. For the nine months ended June 30, 2007 and for the year ended September 30, 2006, our return on equity was 4.92% and 5.90%, respectively. Although we expect that our net income will increase following the offering, we expect that our return on equity will also be reduced as a result of the additional capital that we will raise in the offering. For example, our pro forma return on equity for the twelve months ended June 30, 2007 was 3.36%, assuming the sale of shares at the maximum of the offering range. In comparison, the peer group used by RP Financial in its appraisal had an average return on equity of 7.18% for the twelve months ended June 30, 2007. If our return on equity remains below the industry average following the stock offering, this could hurt our stock price. We cannot guarantee when or if we will achieve returns on equity that are comparable to industry peers. For further information regarding pro forma income and expenses, see Pro Forma Data.

Holders of New Home Federal Bancorp common stock may not be able to sell their shares when desired if a liquid trading market does not develop.

Currently shares of Home Federal Bancorp's common stock are listed on the Nasdaq Global Market under the symbol HOME and there is an established market for the common stock. In connection with the offering, we have applied to have our common stock listed for trading on the Nasdaq Global Select Market under the symbol HOME. We cannot predict whether a liquid trading market in shares of new Home Federal Bancorp's common stock will develop or how liquid that market might become. The development of a liquid public market depends upon the existence of willing buyers and sellers, the presence of which is not within our control or the control of any market maker. See Market for Our Common Stock.

The shares of most recent second step conversions have traded below their initial offering price and as a result, our stock price may decline when trading commences.

If you purchase shares in the offering, you may not be able to sell them at above the \$10.00 per share purchase price even if a liquid trading market develops. The shares of several recent offerings in connection with second step conversions have traded below the initial offering price after completion of the offering. After our shares begin trading, the trading price of our common stock will be determined by the marketplace and may be influenced by many factors, including prevailing interest rates, investor perceptions, securities analysts reports and general industry, geopolitical and economic conditions. See The Conversion and Stock Offering How We Determined Our Price and the Number of Shares to Be Issued in the Stock Offering.

The amount of common stock we will control, our articles of incorporation and bylaws, and state and federal law could discourage hostile acquisitions of control of Home Federal Bancorp.

Our directors and executive officers, as a group, beneficially owned approximately 4.42% of Home Federal Bancorp's outstanding common stock as of June 30, 2007 which will be exchanged for new Home Federal Bancorp common stock. Our board of directors and executive officers intend to purchase approximately 0.5% and 0.4% of additional common stock at the minimum and maximum of the offering range, respectively. These purchases, together with their prior ownership, as well as their potential acquisition of common stock through the employee stock ownership plan and proposed new stock option and stock recognition and retention plans will result in ownership by insiders of new Home Federal Bancorp in excess of 13.9% of the total shares issued in the offering at the maximum of the offering range. This inside ownership and provisions in our articles of incorporation and bylaws

may discourage attempts to acquire new Home Federal Bancorp, pursue a proxy contest for control of new Home Federal Bancorp, assume control of new Home Federal Bancorp by a holder of a large block of common stock, and remove new Home Federal Bancorp's management, all of which stockholders might think are in their best interests. These provisions include a prohibition on any holder of common stock voting more than 10% of the outstanding common stock. See Restrictions on Acquisition of Home Federal Bancorp and Home Federal's Anti-takeover Provisions in Home Federal Bancorp's Articles of Incorporation and Bylaws.

In addition, the business corporation law of Maryland, the state where new Home Federal Bancorp is incorporated, provides for certain restrictions on acquisition of new Home Federal Bancorp. Furthermore, federal law restricts acquisitions of control of savings and loan holding companies such as new Home Federal Bancorp.

We intend to remain independent which may mean you will not receive a premium for your common stock.

We intend to remain independent for the foreseeable future. Because we do not plan on seeking possible acquirors, it is unlikely that we will be acquired in the foreseeable future. Accordingly, you should not purchase our common stock with any expectation that a takeover premium will be paid to you in the near term.

We intend to grant stock options and restricted stock to the board of directors and certain employees following the conversion which will likely reduce your ownership interest.

New Home Federal Bancorp's articles of incorporation would not restrict new Home Federal Bancorp from adopting other stock-related compensation plans, however, the rules of the NASDAQ Stock Market, on which the common stock of Home Federal Bancorp is currently listed and on which the common stock of new Home Federal Bancorp will be listed, generally require stockholder approval of most compensation plans for directors, officers and key employees of the corporation. Moreover, although generally not required, stockholder approval of stock-related compensation plans may be sought in certain instances to qualify such plans for favorable treatment under current federal income tax laws and regulations. In addition, we plan to submit the stock compensation plans discussed in this prospectus to the stockholders for their approval. For a further discussion, see Comparison of Rights of New Home Federal Bancorp and Home Federal Bancorp's Stockholders - Issuance of Capital Stock.

If approved by a vote of the stockholders following the conversion, we intend to establish a new stock option plan with a number of shares equal to 8.7% of the shares sold in the offering and a new stock recognition and retention plan with a number of shares equal to 3.5% of the shares sold in the offering. These new stock benefit plans are being established for the benefit of selected directors, officers and employees of new Home Federal Bancorp and Home Federal Bank and are worth a total of \$8.0 million at the purchase price, based on the maximum of the estimated offering range. Awards under these plans will likely reduce the ownership interest of all stockholders by increasing the number of shares outstanding. The issuance of authorized but unissued shares of common stock pursuant to the exercise of options under the new stock option plan and the new stock recognition and retention plan would dilute the voting interests of existing stockholders, by up to 4.9% and 2.0%, respectively. For further discussion regarding these plans, see Pro Forma Data and Management Benefits to Be Considered Following Completion of the Conversion and Reorganization.

**INFORMATION ABOUT THE SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER 17, 2007**

General

This proxy statement/prospectus is being furnished to you in connection with the solicitation by the board of directors of Home Federal Bancorp of proxies to be voted at the special meeting of stockholders to be held at its main office located at 500 12th Avenue South, Nampa, Idaho, on Monday, December 17, 2007 at 1:00 p.m., Mountain time, and any adjournment or postponement thereof.

The purpose of the special meeting is to consider and vote upon the plan of conversion and reorganization of Home Federal MHC, Home Federal Bancorp, new Home Federal Bancorp and Home Federal Bank. In addition, stockholders will vote on a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to approve the plan of conversion and reorganization. Stockholders will vote on the approval of the following informational proposals with respect to the articles of incorporation and bylaws of new Home Federal Bancorp:

increasing the authorized capital stock of new Home Federal Bancorp to 90,000,000 shares of serial preferred stock and 10,000,000 shares of common stock from 50,000,000 shares of serial preferred stock and 5,000,000 shares of common stock in Home Federal Bancorp's Articles of Incorporation;

a super-majority stockholder approval requirement for mergers, consolidations and similar transactions, unless they have been approved in advance by at least two-thirds of the board of directors of new Home Federal Bancorp;

a higher stockholder vote requirement for the removal of directors from the board of directors of new Home Federal Bancorp;

a limitation on the voting rights of shares beneficially owned in excess of 10% of new Home Federal Bancorp's outstanding voting stock, and a limitation on the acquisition of over 10% of new Home Federal Bancorp's common stock during the first five years following the conversion;

a super-majority stockholder approval requirement for amendments to certain provisions in the articles of incorporation of new Home Federal Bancorp; and

a super-majority stockholder approval requirement for amendments to certain provisions in the bylaws of new Home Federal Bancorp.

The plan of conversion and reorganization provides for a series of transactions, referred to as the conversion and offering, which will result in the elimination of the mutual holding company. The plan of conversion and reorganization will also result in the creation of a new stock form holding company which will own all of the outstanding shares of Home Federal Bank, the exchange of shares of common stock of Home Federal Bancorp by stockholders other than Home Federal MHC, who are referred to as the public stockholders, for shares of the new stock form holding company, new Home Federal Bancorp, the issuance and the sale of additional shares to certain depositors and borrowers of Home Federal Bank and others in the offering. The conversion and offering will be accomplished through a series of substantially simultaneous and interdependent transactions as follows:

Home Federal Bancorp will convert to a federal interim stock savings institution and simultaneously merge with and into Home Federal Bank with Home Federal Bank being the survivor; and

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Home Federal MHC company will convert from mutual form to a federal interim stock savings institution and simultaneously merge with and into Home Federal Bank, pursuant to which the mutual holding company will cease to exist and the shares of Home Federal Bancorp common stock held by the mutual holding company will be canceled; and

an interim federal savings association will be formed as a wholly owned subsidiary of the newly formed Maryland corporation, new Home Federal Bancorp, and then will merge with and into Home Federal Bank.

As a result of the above transactions, Home Federal Bank will become a wholly-owned subsidiary of the new holding company, new Home Federal Bancorp, and the outstanding shares of Home Federal Bancorp common stock will be converted into shares of new Home Federal Bancorp common stock pursuant to the exchange ratio, which will result in the holders of such shares owning in the aggregate approximately the same percentage of new Home Federal Bancorp common stock to be outstanding upon completion of the conversion and offering as the percentage of Home Federal Bancorp common stock owned by them in the aggregate immediately prior to consummation of the conversion and offering before giving effect to (a) the payment of cash in lieu of issuing fractional exchange shares, and (b) any shares of common stock purchased by public stockholders in the offering.

This proxy statement/prospectus, together with the accompanying proxy card(s), is first being mailed or delivered to stockholders of Home Federal Bancorp on or about November 16, 2007.

Voting in favor of or against the plan of conversion and reorganization includes a vote for or against the conversion of Home Federal MHC to a stock holding company as contemplated by the plan of conversion and reorganization. Voting in favor of the plan of conversion and reorganization will not obligate you to purchase any common stock in the offering and will not affect the balance, interest rate or federal deposit insurance of any deposits at Home Federal Bank.

Record Date and Voting Rights

You are entitled to one vote at the special meeting for each share of Home Federal Bancorp common stock that you owned of record at the close of business on November 9, 2007 (the Record Date). On the Record Date, there were 15,261,589 shares of common stock outstanding.

You may vote your shares at the special meeting in person or by proxy. To vote in person, you must attend the special meeting and obtain and submit a ballot, which we will provide to you at the special meeting. To vote by proxy, you must complete, sign and return the enclosed proxy card. If you properly complete your proxy card and send it to us in time to vote, your proxy (one of the individuals named on your proxy card) will vote your shares as you have directed. **If you sign the proxy card but do not make specific choices, your proxy will vote your shares FOR the proposal identified in the Notice of Special Meeting.**

If any other matter is presented, your proxy will vote the shares represented by all properly executed proxies on such matters as a majority of the board of directors determines. As of the date of this proxy statement, we know of no other matters that may be presented at the special meeting, other than that listed in the Notice of Special Meeting.

Quorum

A quorum of stockholders is necessary to hold a valid meeting. If the holders of at least a majority of the total number of the outstanding shares of common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. We will include proxies marked as abstentions and broker non-votes to determine the number of shares present at the special meeting.

Vote Required

Proposal 1: Approval of the plan of conversion and reorganization. We must obtain the affirmative vote of (i) the holders of a majority of the outstanding shares of common stock of Home Federal Bancorp, other than Home Federal MHC, and (ii) the holders of two-thirds of the votes eligible to be cast by stockholders of Home Federal Bancorp, including Home Federal MHC.

Proposal 2: Approval of the adjournment of the special meeting. We must obtain the affirmative vote of the majority of the votes cast by holders of outstanding shares of Home Federal Bancorp common stock to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to approve the plan of conversion and reorganization.

Informational Proposals 3a through 3f. The provisions of new Home Federal Bancorp's articles of incorporation and bylaws which are summarized as informational proposals 3a through 3f were approved as part of the process in which the board of directors of Home Federal Bancorp approved the plan of conversion and reorganization. These proposals are informational in nature only, because the Office of Thrift Supervision regulations governing mutual to stock conversions do not provide for votes on matters other than the plan of conversion and reorganization. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if stockholders approve the plan of conversion and reorganization, regardless of whether stockholders vote to approve any or all of the informational proposals. The provisions of new Home Federal Bancorp's articles of incorporation and bylaws which are summarized as informational proposals may have the effect of deterring or rendering more difficult attempts by third parties to obtain control of new Home Federal Bancorp if such attempts are not approved by the Board of Directors, or may make the removal of the board of directors management, or the appointment of new directors, more difficult.

Other Matters. We must obtain the affirmative vote of the majority of the votes cast by holders of outstanding shares of common stock of Home Federal Bancorp.

We expect that Home Federal MHC will vote all of the shares of Home Federal Bancorp common stock that it owns in favor of Proposal 1, approval of the plan of conversion and reorganization.

Effect of Broker Non-Votes

If your broker does not vote on the proposals, this will constitute a broker non-vote. Broker non-votes and abstentions will have the same effect as shares voted Against the plan of conversion and reorganization.

Revoking Your Proxy

You may revoke your grant of proxy at any time before it is voted by:

filing a written revocation of the proxy with the Secretary;

submitting a signed proxy card bearing a later date; or

attending and voting in person at the special meeting, but you also must file a written revocation with the Secretary of the special meeting prior to the voting.

If your shares are not registered in your own name, you will need appropriate documentation from your stockholder of record to vote personally at the special meeting. Examples of such documentation include a broker's statement, letter or other document that will confirm your ownership of shares of Home Federal Bancorp.

Solicitation of Proxies

This proxy statement/prospectus and the accompanying proxy card are being furnished to you in connection with the solicitation of proxies for the special meeting by the board of directors. Home Federal Bancorp will pay the costs of soliciting proxies from its stockholders. To the extent necessary to permit approval of the plan of conversion and reorganization and the other proposals being considered, directors, officers or employees of Home Federal Bancorp and Home Federal Bank may solicit proxies by mail, telephone and other forms of communication. We will reimburse such persons for their reasonable out-of-pocket expenses incurred in connection with such solicitation.

We have retained Regan & Associates, Inc., a proxy solicitation firm, to assist in soliciting proxies in connection with the special meeting of stockholders with respect to approval of the plan of conversion and reorganization as set forth in Proposal 1. We have agreed to pay Regan & Associates, Inc. a base fee of \$10,000 plus reasonable out-of-pocket expenses. The aggregate fee will vary considerably based on the number and length of telephone solicitations made. We will also reimburse banks, brokers, nominees and other fiduciaries for the expenses they incur in forwarding the proxy materials to you.

The board of directors recommends that you promptly sign, date and mark the enclosed proxy card in favor of the approval of the plan of conversion and reorganization and promptly return it in the enclosed self-addressed, postage-prepaid proxy reply envelope. Returning the proxy card will not prevent you from voting in person at the special meeting.

Your prompt vote is very important. Failure to vote will have the same effect as voting against the plan of conversion and reorganization.

PROPOSAL 1

APPROVAL OF THE PLAN OF CONVERSION AND REORGANIZATION

The boards of directors of Home Federal Bancorp, Home Federal MHC, new Home Federal Bancorp and Home Federal Bank have approved the plan of conversion and reorganization. The plan of conversion and reorganization also has been approved by the Office of Thrift Supervision, subject to approval by certain depositors and borrowers of Home Federal Bank and the stockholders of Home Federal Bancorp entitled to vote on the matter. Office of Thrift Supervision approval does not constitute an endorsement or recommendation of the plan of conversion and reorganization.

General

The boards of directors of Home Federal MHC, Home Federal Bancorp and Home Federal Bank unanimously adopted the plan of conversion and reorganization on May 11, 2007 and it was amended on September 14, 2007. The plan of conversion and reorganization has been approved by the Office of Thrift Supervision, subject to, among other things, approval of the plan of conversion and reorganization by certain depositors and borrowers of Home Federal Bank and the stockholders of Home Federal Bancorp. The special meeting of stockholders has been called for this purpose on December 17, 2007.

The conversion to a stock holding company structure also includes the offering by new Home Federal Bancorp of its shares to qualifying depositors and borrowers of Home Federal Bank in a subscription offering and to certain other persons in a community offering and/or syndicated community offering. The conversion and offering will be effected as described under [The Conversion And Stock Offering](#). The plan of conversion and reorganization has been included as an exhibit to the registration statement filed with the SEC. See [Where You Can Find More Information](#) in this proxy statement/prospectus.

Our Reasons for the Conversion

Because it is a mutual holding company, Home Federal MHC has no authority to issue shares of capital stock and consequently has no access to market sources of equity capital. Home Federal Bancorp may issue shares but only to a limited extent, as Home Federal MHC must own a majority of its shares of common stock. This conversion is another step in our strategic plan to increase our capital and expand our operations.

Upon completion of the conversion, we will no longer be in the mutual holding company form of organization and Home Federal Bank will be organized in the form used by commercial banks, most major corporations and a majority of savings institutions. The ability to raise new equity capital through the issuance and sale of capital stock of new Home Federal Bancorp will allow Home Federal Bank the flexibility to increase its capital position more rapidly than by accumulating earnings and at times deemed advantageous by the board of directors. It will also support future growth and expanded operations, including increased lending and investment activities, as business and regulatory needs require. The ability to attract new capital also will help better address the needs of the communities we serve and enhance our ability to make acquisitions or expand into new businesses. The acquisition alternatives available to Home Federal MHC are limited as a mutual holding company. However, after the conversion, we will have increased ability to merge with other institutions. Finally, the ability to issue additional capital stock will enable us to establish additional stock compensation plans for directors, officers and employees, giving them equity interests in new Home Federal Bancorp and greater incentive to improve its performance. For a description of the stock compensation plans which will be adopted by us in connection with the conversion, see Management Benefits to Be Considered Following Completion of the Conversion and Reorganization.

The disadvantages of the offering considered the fact that operating in the stock holding company form of organization could subject Home Federal Bancorp to contests for corporate control, including the possibility that a director could be elected that advocates the particular position of the group which elected him or her, rather than positions that are in the best interests of new Home Federal Bancorp and all stockholders.

After considering the advantages and disadvantages of the conversion, as well as applicable fiduciary duties and alternative transactions, including remaining as a mutual holding company, the boards of directors of Home Federal MHC, Home Federal Bancorp and Home Federal Bank approved the conversion as being in the best interests of our companies and equitable to the members of Home Federal MHC.

Effect of the Conversion on Current Stockholders

Effect on Outstanding Shares of Home Federal Bancorp. Federal regulations provide that in a conversion of a mutual holding company to stock form, the public stockholders of Home Federal Bancorp will be entitled to exchange their shares of common stock for common stock of the converted holding company, provided that the federal savings bank and the mutual holding company demonstrate to the satisfaction of the Office of Thrift Supervision that the basis for the exchange is fair and reasonable. Each publicly held share of Home Federal Bancorp common stock will, on the date of completion of the conversion, be automatically converted into and become the right to receive a number of shares of common stock of new Home Federal Bancorp determined pursuant to the exchange ratio (we refer to these shares as the exchange shares). The public stockholders of Home Federal Bancorp common stock will own the same percentage of common stock in new Home Federal Bancorp after the conversion as they hold in Home Federal Bancorp subject to additional purchases, or the receipt of cash in lieu of fractional shares. The total number of shares of new Home Federal Bancorp held by the former public stockholders of Home Federal Bancorp common stock after the conversion will also be affected by any purchases by these persons in the offering.

Based on the independent valuation, the 58.9% of the outstanding shares of Home Federal Bancorp common stock held by Home Federal MHC as of the date of the independent valuation and the 41.1% public ownership interest of Home Federal Bancorp, the following table sets forth, at the minimum, mid-point, maximum, and adjusted maximum of the offering range:

the total number of shares of common stock to be issued in the conversion;

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the total shares of common stock outstanding after the conversion;

the exchange ratio; and

the number of shares an owner of 100 shares of Home Federal Bancorp common stock will receive in the exchange, adjusted for the number of shares sold in the offering.

	Shares to be sold in the offering		Shares of new Home Federal Bancorp stock to be exchanged for current Home Federal Bancorp common stock		Total shares of new Home Federal Bancorp common stock to be outstanding after the conversion	Exchange ratio	100 shares of Home Federal Bancorp common stock would be exchanged for the following number of shares of new Home Federal Bancorp	Value of new Home Federal Bancorp shares to be received in exchange for 100 shares of Home Federal Bancorp common stock assuming value at \$10.00 per share
	Amount	Percent	Amount	Percent				
Minimum	10,200,000	58.9%	7,103,110	41.1%	17,303,110	1.1360	113	\$ 1,130
Midpoint	12,000,000	58.9	8,356,600	41.1	20,356,600	1.3364	133	1,330
Maximum	13,800,000	58.9	9,610,090	41.1	23,410,090	1.5369	153	1,530
15% above the maximum	15,870,000	58.9	11,051,604	41.1	26,921,604	1.7674	176	1,760

If you currently own shares of Home Federal Bancorp which are held in street name, they will be exchanged without any action on your part. If you currently are the record owner of shares of Home Federal Bancorp and hold certificates for these shares you will receive, after the conversion and offering is completed, a transmittal form with instructions to surrender your stock certificates. New certificates of our common stock will be mailed within five business days after the exchange agent receives properly executed transmittal forms and stock certificates. You should not submit a stock certificate for exchange until you receive a transmittal form.

No fractional shares of our common stock will be issued to any public stockholder of Home Federal Bancorp upon consummation of the conversion. For each fractional share that would otherwise be issued, we will pay an amount equal to the product obtained by multiplying the fractional share interest to which the holder would otherwise be entitled by the \$10.00 per share subscription price.

Under federal law and regulations, current public stockholders of Home Federal Bancorp do not have dissenters' rights or appraisal rights.

Outstanding options to purchase shares of Home Federal Bancorp common stock also will convert into and become options to purchase new shares of new Home Federal Bancorp, Inc. common stock. The number of shares of common stock to be received upon exercise of these options will be determined pursuant to the exchange ratio. The aggregate exercise price, duration and vesting schedule of these options will not be affected by the conversion. At June 30, 2007, there were 559,228 outstanding options to purchase shares of Home Federal Bancorp common stock, 49,233 of which have vested. Such options will be converted into options to purchase 635,283 shares of common stock at the minimum of the offering range and 859,478 shares of common stock at the maximum of the offering range. Because Office of Thrift Supervision regulations prohibit us from repurchasing our common stock during the first year following the conversion unless compelling business reasons exist for such repurchases, we may use

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authorized but unissued shares to fund option exercises that occur during the first year following the conversion. If all existing options were exercised for authorized, but unissued shares of common stock following the conversion, stockholders would experience dilution of approximately 3.5%.

Effect on Stockholders' Equity per Share of the Shares Exchanged. As adjusted for exchange ratio, the conversion will increase the stockholders' equity share of the current stockholder of Home Federal Bancorp common stock. At June 30, 2007, the stockholders' equity per share of Home Federal Bancorp common stock including shares held by Home Federal MHC was \$7.22. Based on the pro forma information set forth for June 30, 2007, in Pro Forma Data, pro forma stockholders' equity per share following the conversion will be \$11.33, \$10.38, \$9.69 and \$9.08 at the minimum, midpoint, maximum and adjusted maximum, respectively, of the offering range. As adjusted at that date for the exchange ratio, the effective stockholders' equity per share of current stockholder would be \$8.20, \$9.65, \$11.0 and \$12.76 at the minimum, midpoint, maximum and adjusted maximum, respectively, of the offering range.

Effect on Earnings per Share of the Shares Exchanged. As adjusted for exchange ratio, the conversion will also increase the pro forma earnings per share. For the year ended September 30, 2006, basic earnings per share of Home Federal Bancorp common stock was \$0.28, including shares held by Home Federal MHC. Based on the pro forma information set forth for the year ended September 30, 2006, in Pro Forma Data, earnings per share of common stock following the conversion will range from \$0.32 to \$.023, respectively, for the minimum to the adjusted maximum of the offering range. As adjusted at that date for the exchange ratio, the effective annualized earnings per share for current stockholders would range from \$0.32 to \$0.49, respectively, for the minimum to the adjusted maximum of the offering range.

Dissenters' and Appraisal Rights

The public stockholders of Home Federal Bancorp common stock will not have dissenters' rights or appraisal rights in connection with the exchange of publicly held shares of Home Federal Bancorp common stock as part of the conversion.

Exchange of Shares

The conversion of your shares of Home Federal Bancorp common stock into the right to receive shares of new Home Federal Bancorp common stock will occur automatically on the effective date of the conversion, although you will need to exchange your stock certificate(s) if you hold shares in certificate form. As soon as practicable after the effective date of the conversion, our transfer agent will send a transmittal form to you. The transmittal forms are expected to be mailed promptly after the effective date and will contain instructions on how to submit the stock certificate(s) representing existing shares of Home Federal Bancorp common stock.

No fractional shares of new Home Federal Bancorp common stock will be issued to you when the conversion is completed. For each fractional share that would otherwise be issued to a stockholder who holds a certificate, you will be paid by check an amount equal to the product obtained by multiplying the fractional share interest to which you would otherwise be entitled by \$10.00. If your shares are held in street name, you will automatically receive cash in lieu of fractional shares. For more information regarding the exchange of your shares see The Conversion and Stock Offering - Delivery and Exchange of Stock Certificates.

Conditions to the Conversion and Offering

Consummation of the conversion and stock offering are subject to the receipt of all requisite regulatory approvals, including various approvals of the Office of Thrift Supervision. No assurance can be given that all regulatory approvals will be received. Receipt of such approvals from the Office of Thrift Supervision will not constitute a recommendation or endorsement of the Plan of Conversion or the stock offering by the Office of Thrift Supervision. Consummation of the conversion and stock offering also are subject to approval by the stockholders of Home Federal Bancorp at the special meeting of stockholders of Home Federal Bancorp and of depositors and

borrowers of Home Federal Bank at a special meeting of depositors to be held the same day as the special meeting of stockholders. we may use borrowers of Home Federal Bank at a special meeting of depositors to be held the same day as the special meeting of stockholders.

Effect on Existing Compensation Plans

Under the plan of conversion and reorganization, the existing 2005 Stock Option and Incentive Plan and 2005 Recognition and Retention Plan of Home Federal Bancorp will become stock benefit plans of new Home Federal Bancorp and shares of new Home Federal Bancorp common stock will be issued (or reserved for issuance) pursuant to such benefit plans and not shares of the current Home Federal Bancorp common stock. Upon consummation of the conversion, the common stock currently reserved for or held by these benefit plans will be converted into options or new Home Federal Bancorp common stock based upon the exchange ratio. Upon completion of the conversion, (i) all rights to purchase, sell or receive Home Federal Bancorp common stock currently under any agreement between Home Federal Bancorp and Home Federal Bank and any director, officer or employee of Home Federal Bank or under any plan or program of Home Federal Bancorp or Home Federal Bank (including, without limitation, the 2005 Recognition and Retention Plan), shall automatically, by operation of law, be converted into and shall become an identical right to purchase, sell or receive new Home Federal Bancorp common stock and an identical right to make payment in common stock under any such agreement between Home Federal Bancorp or Home Federal Bank and any director, officer or employee or under such plan or program of Home Federal Bancorp or Home Federal Bank, and (ii) rights outstanding under the 2005 Stock Option and Incentive Plan shall be assumed by new Home Federal Bancorp and thereafter shall be rights only for shares of new Home Federal Bancorp common stock, with each such right being for a number of shares of new Home Federal Bancorp common stock based upon the exchange ratio and the number of shares of Home Federal Bancorp that were available thereunder immediately prior to consummation of the conversion, with the price adjusted to reflect the exchange ratio but with no change in any other term or condition of such right.

New Stock Benefit Plans

Employee Stock Ownership Plan. Home Federal Bancorp has established an employee stock ownership plan for its employees which previously acquired 571,320 shares of Home Federal Bancorp's common stock on behalf of participants. As part of the conversion, the employee stock ownership plan intends to purchase a number of shares of new Home Federal Bancorp common stock equal to 8.0% of the shares sold in the offering, or 1,104,000 shares and 1,269,600 shares based on the maximum and 15% above the maximum of the offering range, respectively. We anticipate that the employee stock ownership plan will borrow funds from new Home Federal Bancorp, and that such loan will equal 100% of the aggregate purchase price of the common stock acquired by the employee stock ownership plan.

Stock Option Plan. Following consummation of the conversion and offering, new Home Federal Bancorp intends to adopt a new stock option plan. Options may be granted to our directors and key employees. The new stock option plan will be administered and interpreted by a committee of the board of directors. Unless sooner terminated, the new stock option plan shall continue in effect for a period of 10 years from the date the stock option plan is adopted by the board of directors. At a meeting of new Home Federal Bancorp's stockholders after the conversion and offering, which under applicable Office of Thrift Supervision policies may be held no earlier than six months after the completion of the conversion and offering, new Home Federal Bancorp intends to present the stock option plan to stockholders for approval and to reserve an amount equal to 8.7% of the shares of new Home Federal Bancorp common stock sold in the offering, which is 1,195,696 shares or 1,375,051 shares based on the maximum and 15% above the maximum of the offering range, respectively, for issuance under the new stock option plan. Office of Thrift Supervision regulations provide that, in the event such plan is implemented within one year after the conversion and offering, no individual officer or employee of new Home Federal Bancorp may receive more than 25% of the options granted under the new stock option plan and non-employee directors may not receive more than 5% individually, or 30% in the aggregate of the options granted under the new stock option plan.

Stock Recognition and Retention Plan. After the conversion and offering, new Home Federal Bancorp intends to adopt a stock recognition and retention plan for its directors, officers and employees. New Home Federal

Bancorp intends to present the stock recognition and retention plan to its stockholders for their approval at a meeting of stockholders which, pursuant to applicable Office of Thrift Supervision regulations, may be held no earlier than six months after the offering. The stock recognition and retention plan will be administered by a committee of new Home Federal Bancorp's board of directors, which will have the responsibility to invest all funds contributed to the trust created for the stock recognition and retention plan. New Home Federal Bancorp will contribute sufficient funds to the trust so that it can purchase, following the receipt of stockholder approval, a number of shares equal to 3.5% of the shares of new Home Federal Bancorp common stock sold in the offering, which is 478,278 shares or 550,020 shares based on the maximum and 15% above the maximum of the offering range, respectively. Shares of common stock granted pursuant to the stock recognition and retention plan generally will be in the form of restricted stock vesting at a rate to be determined by new Home Federal Bancorp's board of directors or a board committee. Currently, new Home Federal Bancorp expects that shares awarded under the stock recognition and retention plan will vest over a five year period at a rate no faster than 20% per year.

The Board of Directors recommends that you vote FOR the adoption of the plan of conversion and reorganization. See The Conversion and Stock Offering Our Reasons for the Conversion in this proxy statement/prospectus.

PROPOSAL 2

ADJOURNMENT OF THE SPECIAL MEETING

If there are not sufficient votes to constitute a quorum or to approve the plan of conversion and reorganization at the time of the special meeting, the plan of conversion and reorganization may not be approved unless the special meeting is adjourned to a later date or dates in order to permit further solicitation of proxies. In order to allow proxies that have been received by Home Federal Bancorp at the time of the special meeting to be voted for an adjournment, if necessary, Home Federal Bancorp has submitted the question of adjournment to its stockholders as a separate matter for their consideration. The Board of Directors of Home Federal Bancorp recommends that stockholders vote FOR the adjournment proposal. If it is necessary to adjourn the special meeting, no notice of the adjourned special meeting is required to be given to stockholders (unless the adjournment is for more than 120 days or if a new record date is fixed), other than an announcement at the special meeting of the hour, date and place to which the special meeting is adjourned.

The Board of Directors recommends that you vote FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to approve the plan of conversion and reorganization.

PROPOSALS 3a THROUGH 3f

INFORMATIONAL PROPOSALS RELATED TO THE ARTICLES OF INCORPORATION AND BYLAWS OF HOME FEDERAL BANCORP (NEW)

By their approval of the plan of conversion as set forth in Proposal 1, the board of directors of Home Federal Bancorp has approved each of the informational proposals numbered 1A through 1F, all of which relate to provisions included in the articles of incorporation of new Home Federal Bancorp. Each of these informational proposals is discussed in more detail below.

As a result of the conversion, the public stockholders of Home Federal Bancorp, whose rights are presently governed by the charter and bylaws of Home Federal Bancorp, will become stockholders of new Home Federal Bancorp, whose rights will be governed by the articles of incorporation and bylaws of new Home Federal Bancorp. The following informational proposals address the material differences between the governing documents of the two companies. This discussion is qualified in its entirety by reference to the charter of Home Federal Bancorp and the articles of incorporation of new Home Federal Bancorp. See [Where You Can Find Additional Information](#) for procedures for obtaining a copy of those documents.

The provisions of new Home Federal Bancorp's articles of incorporation which are summarized as informational proposals 3a through 3f were approved as part of the process in which the board of directors of Home Federal Bancorp approved the plan of conversion and reorganization. These proposals are informational in nature only, because the Office of Thrift Supervision's regulations governing mutual-to-stock conversions do not provide for votes on matters other than the plan of conversion. Home Federal's Bancorp's stockholders are not being asked to approve these informational proposals at the special meeting. While we are asking you to vote with respect to each of the informational proposals set forth below, the proposed provisions for which an informational vote is requested will become effective if stockholders approve the plan of conversion, regardless of whether stockholders vote to approve any or all of the informational proposals. The provisions of new Home Federal Bancorp's articles of incorporation which are summarized as informational proposals may have the effect of deterring or rendering more difficult attempts by third parties to obtain control of new Home Federal Bancorp, if such attempts are not approved by the Board of Directors, or may make the removal of the board of directors or management, or the appointment of new directors, more difficult.

Informational Proposal 3a Approval of an Increase of Authorized Shares of Capital Stock. Home Federal Bancorp's authorized capital stock consists of 5,000,000 shares of serial preferred stock and 50,000,000 shares of common stock. The articles of incorporation of new Home Federal Bancorp authorize 10,000,000 shares of serial preferred stock and 90,000,000 shares of common stock.

At June 30, 2007, there were 15,232,243 issued and outstanding shares of common stock of Home Federal Bancorp and no outstanding shares of preferred stock. At the maximum of the offering range, we expect to issue an aggregate of 23,410,090 shares of new Home Federal Bancorp common stock in the offering and as exchange shares, almost double the existing number of outstanding shares of Home Federal Bancorp. At the maximum of the offering range, an additional 1,195,696 shares of new Home Federal Bancorp common stock will be reserved for issuance pursuant to the proposed stock option plan and another 478,278 shares will be reserved under the new recognition and retention option plan. Given the increased number of shares of common stock to be issued and outstanding and reserved for issuance, an increase in the number of authorized shares of capital stock is believed to be appropriate.

New Home Federal Bancorp's board of directors currently has no plans for the issuance of additional shares of common stock, other than the issuance of shares pursuant to the terms of the proposed stock option plan and recognition and retention plan.

All authorized and unissued shares of new Home Federal Bancorp's common stock and preferred stock following the conversion and offering will be available for issuance without further action of the stockholders, unless such action is required by applicable law or the listing standards of The Nasdaq Stock Market or the listing standards of any other stock exchange on which new Home Federal Bancorp's securities may then be listed.

An increase in the number of authorized shares of capital stock may have the effect of deterring or rendering more difficult attempts by third parties to obtain control of new Home Federal Bancorp, if such attempts are not approved by the board of directors. In the event that a tender offer or other takeover attempt is threatened, the board of directors could issue shares of stock from authorized and unissued shares in order to dilute the stock ownership of persons seeking to take control of new Home Federal Bancorp.

The Board of Directors recommends that you vote FOR the proposal to increase the authorized shares of capital stock.

Informational Proposal 3b Approval of a Provision in new Home Federal Bancorp's Articles of Incorporation requiring a Super-Majority Stockholder Vote to Approve Mergers, Consolidations and Similar Transactions. Office of Thrift Supervision regulations currently require the approval of two-thirds of the board of directors of Home Federal Bancorp and the holders of two-thirds of the outstanding shares of Home Federal Bancorp common stock for mergers, consolidations and sales of all or substantially all of its assets. The charter and bylaws of Home Federal Bancorp do not provide any alternative approval standard for mergers and similar transactions.

However, Home Federal MHC, as the owner of 58.9% of the outstanding shares of common stock of Home Federal Bancorp, has the ability to block any such transaction.

The articles of incorporation of new Home Federal Bancorp provide that certain business combinations (for example, mergers, share exchanges, significant asset sales and significant stock issuances) involving **interested stockholders of new Home Federal Bancorp require, in addition to any vote required by law, the approval of at least 80% of the voting power of the outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class, unless either (1) a majority of the disinterested directors of new Home Federal Bancorp have approved the business combination or (2) certain fair price and procedural requirements are satisfied. An interested stockholder generally means a person who is a greater than 10% stockholder of new Home Federal Bancorp or who is an affiliate of new Home Federal Bancorp and at any time within the past two years was a greater than 10% stockholder of new Home Federal Bancorp.** The board of directors of new Home Federal Bancorp believes that these types of fundamental transactions generally should be first considered and approved by the board of directors as the board generally believes that it is in the best position to make an initial assessment of the merits of any such transactions. This provision in new Home Federal Bancorp's articles of incorporation makes an acquisition, merger or other similar corporate transaction less likely to occur, even if such transaction is supported by most stockholders, unless it is supported by the board of directors. Thus, it may be deemed to have an anti-takeover effect.

The Board of Directors recommends that you vote FOR the proposal to approve a provision in new Home Federal Bancorp's Articles of Incorporation requiring a Super-Majority Stockholder Vote to Approve Mergers, Consolidations and Similar Transactions.

Information Proposal 3c Approval of a Provision in new Home Federal Bancorp's Articles of Incorporation Limiting the Ability of Stockholders to Remove Directors. The provisions of new Home Federal Bancorp's articles of incorporation provide that any director may be removed by stockholders only for cause upon the affirmative vote of not less than 80% of the shares entitled to vote in the election of directors.

Home Federal Bancorp's charter provides that any director may be removed only for cause by the vote of the holders of a majority of the outstanding shares at a meeting of stockholders called for such purpose. This provision has provided an adequate degree of protection under the mutual holding company structure, in which the mutual holding company owns a majority of all voting shares and can prevent a third party from seeking removal of one or more directors in order to promote an agenda that may not be in the interests of all other stockholders.

The 80% voting requirement of the articles of incorporation of new Home Federal Bancorp is intended to prevent sudden and fundamental changes to the composition of the board of directors except in the case of director misconduct. This provision does not prevent the replacement of one or more directors at an annual meeting of stockholders, and will not prevent the replacement of the entire board over the course of three years. This provision is intended to reduce the ability of anyone to coerce members of the board of directors by threatening them with removal from office, in cases where the directors are acting in good faith to discharge their duties to the corporation and to all stockholders as a group. This provision will not prevent a stockholder from conducting a proxy contest with respect to the election of directors at an annual meeting of stockholders.

The higher vote threshold may make it more difficult to bring about a change of control of new Home Federal Bancorp. One method for a hostile stockholder to take control of a company is to acquire a majority of the outstanding shares through a tender offer or open market purchases and then use its voting power to remove the existing directors.

The board of directors believes that it is desirable to adopt this provision so that a director's continued service will be conditioned on his or her duties to the company and the stockholders in good faith, rather than his or her position relative to a dominant stockholder.

The Board of Directors recommends that you vote FOR the proposal to approve a provision in new Home Federal Bancorp s Articles of Incorporation limiting the ability of stockholders to remove directors.

Information Proposal 3d. Approval of a Provision in new Home Federal Bancorp s Articles of Incorporation to Limit the Voting Rights and Acquisition of in Excess of 10% of new Home Federal Bancorp s Common Stock. The articles of incorporation of new Home Federal Bancorp provide that in no event shall any person, who directly or indirectly beneficially owns in excess of 10% of the then-outstanding shares of common stock as of the record date for the determination of stockholders entitled or permitted to vote on any matter, be entitled or permitted to any vote in respect of the shares held in excess of the 10% limit. The articles of incorporation also provide that for a period of five years from the conversion of Home Federal MHC from mutual to stock form, no person shall directly or indirectly offer to acquire more than 10% of the outstanding shares of common stock (the 10% limit). This 10% limit restriction does not apply if the beneficial owner s ownership position in excess of the 10% limit was approved by a majority of unaffiliated directors before the beneficial owner of such shares acquired beneficial ownership of the shares in excess of the 10% limit. Beneficial ownership is determined pursuant to the federal securities laws and includes, but is not limited to, shares as to which any person and his or her affiliates (1) have the right to acquire upon the exercise of conversion rights, exchange rights, warrants or options and (2) have or share investment or voting power (but shall not be deemed the beneficial owner of any voting shares solely by reason of a revocable proxy granted for a particular meeting of stockholders, and that are not otherwise beneficially, or deemed by new Home Federal Bancorp to be beneficially, owned by such person and his or her affiliates).

The articles of incorporation of Home Federal Bancorp also provides that for a period of five years from the effective date of Home Federal MHC s mutual holding company reorganization, no person shall directly or indirectly offer to acquire more than 10% of the outstanding shares of common stock.

This provision is intended to limit the ability of any person to acquire a significant number of shares of new Home Federal Bancorp s common stock and thereby gain sufficient voting control so as to cause new Home Federal Bancorp to effect a transaction that may not be in the best interests of new Home Federal Bancorp and its stockholders generally. This provision will not prevent a stockholder from seeking to acquire a controlling interest in new Home Federal Bancorp but it will prevent a person from doing so for the first five years after the conversion unless the stockholder has first persuaded the board of directors of the merits of the course of action proposed by the stockholder. This provision in new Home Federal Bancorp s articles of incorporation makes an acquisition, merger or other similar transaction that is not supported by the board of directors less likely to occur because it can prevent the a holder of shares in excess of 10% of the outstanding shares from voting the excess in favor of the transaction. Thus, it may be deemed to have an anti-takeover effect.

The Board of Directors \recommends that you vote FOR the proposal to approve a provision in new Home Federal Bancorp s Articles of Incorporation limiting the voting rights and acquisition of in excess of 10% of new Home Federal Bancorp s common stock.

Informational Proposal 3e. Approval of a provision in new Home Federal Bancorp s Articles of Incorporation requiring a Super-Majority Stockholder Vote to Amend Certain Provisions of New Home Federal Bancorp s Articles of Incorporation. Any amendments of the charter of Home Federal Bancorp must be approved first by the board of directors, then preliminarily approved by the Office of Thrift Supervision, and thereafter approved by the holders of a majority of the total votes eligible to be cast at a legal meeting of stockholders. The articles of incorporation of new Home Federal Bancorp generally may be amended by the holders of a majority of the shares entitled to vote; provided, however, that any amendment of Section C of Article 5 (Issuing Preferred Stock; Limitation of Voting Common Stock), Article 7 (Number, Classification, Election and Removal of Directors), Article 8 and 14 (Amendment of Governing Instruments), Article 9 (Approval of Certain Business Combinations), Article 11 (Acquisitions of Securities from Interested Persons (anti-greenmail provision)), 12 (Indemnification of Directors and Officers) and Article 13 (Limitation of Liability of Directors and Officers) must be approved by the board of directors and by the affirmative vote of the holders of at least 80% of the outstanding

shares entitled to vote, except that the board of directors may amend the articles of incorporation without any action by the stockholders in increase or decrease the number of authorized shares of common stock or preferred stock.

These limitations on amendments to specified provisions of new Home Federal Bancorp's articles of incorporation are intended to ensure that the referenced provisions are not limited or changed upon a simple majority vote. While this limits the ability of stockholders to amend those provisions, Home Federal MHC, as a 58.9% stockholder of Home Federal Bancorp, currently can effectively block any stockholder proposed change to the charter. This provision in new Home Federal Bancorp's articles of incorporation could have the effect of discouraging a tender offer or other takeover attempt where to ability to make fundamental changes through amendments to the articles of incorporation is an important element of the takeover strategy of the potential acquiror. The board of directors believes that the provisions limiting certain amendments to the articles of incorporation will put the board of directors in a stronger position to negotiate with third parties with respect to transactions potentially affecting the corporate structure of new Home Federal Bancorp and the fundamental rights of its stockholders, and to preserve the ability of all stockholders to have an effective voice in the outcome of such matters.

The Board of Directors recommends that you vote FOR the proposal to approve a provision in new Home Federal Bancorp's Articles of Incorporation requiring a super-majority stockholder vote to amend certain provisions of new Home Federal Bancorp's articles of incorporation.

Informational Proposal 3f. - Approval of a Provision in new Home Federal Bancorp's Bylaws Requiring a Super-majority Stockholder Vote to Amend Certain Provisions of New Home Federal Bancorp's Bylaws. The bylaws of Home Federal Bancorp may be amended in a manner consistent with regulations of the Office of Thrift Supervision and shall be effective after: (1) approval of the amendment by a majority vote of the authorized board of directors, or by a majority of the votes cast by the stockholders of Home Federal Bancorp at any legal meeting; and (2) receipt of applicable regulatory approval. The bylaws of new Home Federal Bancorp may be amended by the board of directors with a majority vote of the total number of directors assuming no vacancies on the board, or by the stockholders by the affirmative vote of the holders of at least 80% of the voting power of the outstanding shares entitled to vote generally in the election of directors, voting together as a single class.

This provision limits the ability of new Home Federal Bancorp's stockholders to revise certain bylaw provisions. However, stockholders do retain the authority to authorize changes in the bylaws of new Home Federal Bancorp. Currently, Home Federal MHC, as the owner of 58.9% of the outstanding shares of common stock of Home Federal Bancorp, has the ability to block any proposed change to the bylaws of Home Federal Bancorp.

This provision in new Home Federal Bancorp's bylaws could have the effect of discouraging a tender offer or other takeover attempt where the ability to make fundamental changes through bylaw amendments is an important element of the takeover strategy of the potential acquiror. The board of directors believes that the provision limiting certain amendments to the bylaws will put the board of directors in a stronger position to negotiate with third parties with respect to transactions potentially affecting the corporate structure of new Home Federal Bancorp and the fundamental rights of its stockholders, and to preserve the ability of all stockholders to have an effective voice in the outcome of such matters.

The Board of Directors recommends that you vote FOR the proposal to approve a provision in new Home Federal Bancorp's Bylaws requiring a super-majority stockholder vote to amend certain provisions of new Home Federal Bancorp's bylaws.

SELECTED FINANCIAL AND OTHER DATA

The Financial Condition Data as of September 30, 2006 and 2005 and the Operating Data for the years ended September 30, 2006, 2005 and 2004 are derived from the audited consolidated financial statements and related notes included elsewhere in the prospectus. The Financial Condition Data as of September 30, 2004, 2003 and 2002 and the Operating Data for the years ended September 30, 2003 and 2002 are derived from audited consolidated financial statements, not included in this prospectus. The Financial Condition Data as of June 30, 2007 and the Operating Data for the nine months ended June 30, 2007 and 2006 are derived from unaudited consolidated financial statements included elsewhere in this prospectus which, in the opinion of management, include all adjustments (consisting of normal recurring adjustments) necessary to present fairly the data for the unaudited periods. Historical results are not necessarily indicative of results to be expected in any future period, and results for the nine months ended June 30, 2007 are not necessarily indicative of the results to be expected for the year ended September 30, 2007. The following information is only a summary and you should read it in conjunction with our consolidated financial statements and related notes beginning on page F-1 and with Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

	At June 30, 2007	At September 30,				
		2006	2005	2004	2003	2002
FINANCIAL CONDITION DATA:	(Unaudited)	(In Thousands)				
Total assets	\$ 728,315	\$ 761,292	\$ 689,577	\$ 743,867	\$ 450,196	\$ 416,543
Investment securities available for sale, at fair value					5,440	2,507
Mortgage-backed securities, available for sale	166,755	12,182	14,830	871		
Mortgage-backed securities, held to maturity		183,279	180,974	96,595	24,425	44,325
Loans receivable, net (1)	491,768	503,065	430,944	392,634	372,629	318,297
Loans held for sale	4,363					