

MCNEIL MICHAEL  
Form 5  
February 13, 2007

**FORM 5**

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

OMB APPROVAL

OMB Number: 3235-0362  
Expires: January 31, 2005  
Estimated average burden hours per response... 1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person \*  
MCNEIL MICHAEL  
  
(Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol  
HMN FINANCIAL INC [HMNF]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

1016 CIVIC CENTER DRIVE  
  
(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
12/31/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
President

ROCHESTER, MN 55901

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting  
  
(check applicable line)

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned									
1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	(A) or (D)	Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common stock	Â	Â	Â	Â	Â	Â	14,821 <sup>(1)</sup>	D	Â
Common stock	Â	Â	Â	Â	Â	Â	9,371	D	Â
Common stock	Â	Â	Â	Â	Â	Â	8,372 <sup>(2)</sup>	I	ESOP
Common stock	Â	Â	Â	Â	Â	Â	7,858 <sup>(3)</sup>	I	401(k)

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option to buy	\$ 11.5	Â	Â	Â	Â	Â	04/27/2000	04/27/2009	Common Stock	10,000
Option to buy	\$ 11.5	Â	Â	Â	Â	Â	04/27/2001	04/27/2009	Common Stock	10,000
Option to buy	\$ 11.5	Â	Â	Â	Â	Â	04/27/2002	04/27/2009	Common Stock	10,000
Option to buy	\$ 11.5	Â	Â	Â	Â	Â	04/27/2003	04/27/2009	Common Stock	10,000
Option to buy	\$ 11.5	Â	Â	Â	Â	Â	04/27/2004	04/27/2009	Common Stock	10,000
Option to buy	\$ 16.13	Â	Â	Â	Â	Â	04/16/2008	04/15/2012	Common Stock	1,520
Option to buy	\$ 16.13	Â	Â	Â	Â	Â	04/16/2009	04/15/2012	Common Stock	6,199
Option to buy	\$ 16.13	Â	Â	Â	Â	Â	04/16/2010	04/15/2012	Common Stock	6,199
Option to buy	\$ 16.13	Â	Â	Â	Â	Â	04/16/2011	04/15/2012	Common Stock	6,199
Option to buy	\$ 16.13	Â	Â	Â	Â	Â	01/01/2012	04/15/2012	Common Stock	6,199
Option to buy	\$ 27.64	Â	Â	Â	Â	Â	02/13/2005	02/13/2014	Common Stock	1,250
Option to buy	\$ 27.64	Â	Â	Â	Â	Â	02/13/2006	02/13/2014	Common Stock	1,250
	\$ 27.64	Â	Â	Â	Â	Â	02/13/2007	02/13/2014		1,250

Option to buy									Common Stock	
Option to buy	\$ 27.64	^	^	^	^	^	02/13/2008	02/13/2014	Common Stock	1,250

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCNEIL MICHAEL 1016 CIVIC CENTER DRIVE ROCHESTER, MN 55901	^ X	^	^ President	^

## Signatures

Jon Eberle by Power of Attorney for Michael McNeil	02/13/2007
<small>**Signature of Reporting Person</small>	<small>Date</small>

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Increase in shares held directly reflects automatic purchases and dividends within the Employee Stock Purchase Plan in 2006.
- (2) Number of shares for ESOP holding includes allocation for the year ended Dec 31, 2006.
- (3) Number of shares shown for 401(k) holdings reflects automatic purchases within the plan during 2006.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.