

KREHBIEL BRADLEY
 Form 5
 February 13, 2007

FORM 5

OMB APPROVAL

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

OMB Number: 3235-0362
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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 *
 KREHBIEL BRADLEY

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

____ Director _____ 10% Owner
 ____ Officer (give title below) Other (specify below)
 EVP of subsidiary

RT 3 BOX 174
 (Street)

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

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

LAKE CITY, MN 55041

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

(City) (State) (Zip)

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	4,099 ⁽¹⁾	D	Â
Common stock	Â	Â	Â	Â	Â	Â	4,989 ⁽²⁾	I	ESOP

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 2270 (9-02)

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

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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
Option to buy	\$ 16.13	Â	Â	Â	Â Â	Date Exercisable: 04/16/2011 Expiration Date: 04/15/2012	Common stock	5,643
Option to buy	\$ 16.13	Â	Â	Â	Â Â	Date Exercisable: 01/01/2012 Expiration Date: 04/15/2012	Common stock	6,199
Option to buy	\$ 27.66	Â	Â	Â	Â Â	Date Exercisable: 03/03/2005 Expiration Date: 03/02/2014	Common stock	1,514
Option to buy	\$ 27.66	Â	Â	Â	Â Â	Date Exercisable: 03/03/2006 Expiration Date: 03/02/2014	Common stock	1,513
Option to buy	\$ 27.66	Â	Â	Â	Â Â	Date Exercisable: 03/03/2007 Expiration Date: 03/02/2014	Common stock	1,513

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KREHBIEL BRADLEY RT 3 BOX 174 LAKE CITY, MN 55041	Â	Â	Â	EVP of subsidiary

Signatures

Jon Eberle by Power of Attorney for Bradley Krehbiel
Date: 02/13/2007

__Signature of Reporting Person Date

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.

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.