

HMN FINANCIAL INC
Form 4
February 27, 2006

FORM 4

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

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

**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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
JORGENSEN DWAIN C

(Last) (First) (Middle)

4315 ARBOR LN NW

(Street)

ROCHESTER, MN 55901

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

HMN FINANCIAL INC [HMNF]

3. Date of Earliest Transaction
(Month/Day/Year)

02/23/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

SENIOR VICE PRESIDENT

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
COMMON STOCK	02/23/2006		S	1,825 D	\$ 32.5	37,539	D
COMMON STOCK					1,877	I	SPOUSE MARCIA JORGENSEN
COMMON STOCK					14,225 ⁽¹⁾	I	ESOP ALLOCATION
COMMON STOCK					3,937 ⁽²⁾	I	401(K)

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.

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(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
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title		
OPTION TO BUY	\$ 16.13					04/16/2010	04/15/2012	COMMON STOCK		102
OPTION TO BUY	\$ 16.13					04/16/2011	04/15/2012	COMMON STOCK		6,199
OPTION TO BUY	\$ 16.13					01/01/2012	04/15/2012	COMMON STOCK		6,199
OPTION TO BUY	\$ 27.66					03/03/2005	03/03/2014	COMMON STOCK		1,194
OPTION TO BUY	\$ 27.66					03/03/2006	03/03/2014	COMMON STOCK		1,193
OPTION TO BUY	\$ 27.66					03/03/2007	03/03/2014	COMMON STOCK		1,193

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JORGENSEN DWAIN C 4315 ARBOR LN NW ROCHESTER, MN 55901			SENIOR VICE PRESIDENT	

Signatures

DWAIN
JORGENSEN

02/27/2006

__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) Number of shares shown for ESOP holding includes allocation for the year ended Dec 31, 2005.
- (2) Number of shares shown for 401(k) holdings reflect automatic purchases within the plan during 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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