

KOLLING SUSAN K

Form 5

February 14, 2003

FORM 5OMB
APPROVAL

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

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

STATEMENT OF CHANGES IN BENEFICIAL
OWNERSHIP

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 Number:
3235-0362

Expires: January
31, 2005

Estimated
average burden
hours per
response. . . 1.0

1. Name and Address of Reporting Person*	2. Issuer Name and Ticker or Trading Symbol HMN Financial, Inc. / HMNF		6. Relationship of Reporting Person(s) to Issuer (Check all applicable)
Kolling Susan K	3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)	4. Statement for Month/Day/Year	<u> X </u>
(Last) (First) (Middle)		December 31, 2002	Director <u> </u> 10% Owner
1016 Civic Center Drive NW			<u> X </u> Officer (give title below) <u> </u> Other (specify below) <u> </u> <u> </u> Senior Vice President
(Street)		5. If Amendment, Date of Original (Month/Day/Year)	7. Individual or Joint/Group Filing (Check Applicable Line)
			<u> X </u> Form filed by One Reporting Person

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Rochester Minnesota 55901			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)			5. Amount of Securities Beneficially Owned at the end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Amount	(A) or (D)	Price				
Common Stock							20,117	D		
Common Stock	12/31/02		A	382	A	\$10.00	9,111#	I	ESOP Allocation	
Common Stock							3,652*	I	401(k)	
If the form is files by more than one reporting person, see instruction 4(b)(v). #Number of ESOP shares reflects the 2002 allocation. *Number of shares reported in 401(k) is estimated based on cash value of individual's account and stock price at 12/31/02.										
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. 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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 4)

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				(5)							
				(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
Option to Buy	\$9.21										36,2
Option to Buy	\$16.13										9,1

Explanation of Responses:

Reflects the grant of options to purchase shares of restricted stock under the HMN Financial, Inc. 1995 Stock Option and Incentive Plan.

^ Reflects the grant of options to purchase shares of restricted stock under the HMN Financial, Inc. 2001 Omnibus Stock Plan. The options accelerate vesting provided HMN's ROE for 2002 equals or exceeds 11%.

/s/ Timothy Johnson POA for Susan
Kolling

February 14, 2003

**Signature of Reporting Person

Date

Reminder: ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations

See 18 U.S.C. 1001 or 15 U.S.C. 78ff(a).

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