HMN FINANCIAL INC
Form 4
November 21, 2002

FORM 4

| | OMB APPROVAL |
|---|---|
| UNITED STATES SECURITIES AND EXCHANGE COMMISSION<br>Washington, D.C. 20549 | OMB Number: 3235-0287 |

___

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

(Print or Type Responses)

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Expires: January 31, 2005

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

Estimated average burden hours per response. . . . 0.5

| 1. Name and Address of Reporting Person* | 2. Issuer Name **and** Ticker or Trading Symbol<br><br>HMN Financial, Inc. / HMNF | | 6. Relationship of Reporting Person(s) to Issuer<br><br>(Check all applicable) | |
|---|---|---|---|---|
| Kolling Susan K<br><br>(Last)<br>(First)<br>(Middle) | 3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary) | 4. Statement for Month/Day/Year<br><br>November 20, 2002 | _x_ Director<br><br>_x_ <br>Officer (give title below)<br><br>__Senior Vice President__ | ___ 10% Owner<br><br>___ Other (specify below) |
| 1016 Civic Center Drive NW<br><br>(Street) | | 5. If Amendment, Date of Original (Month/Day/Year) | 7. Individual or Joint/Group Filing<br><br>(Check Applicable Line)<br><br>_x_ <br><br>Form filed by One Reporting Person ___ Form filed by More than One Reporting Person | |

| Rochester MN 55901 | | | | | | | |
|---|---|---|---|---|---|---|---|
| (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 Following Reported Transactions(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 11/20/02 | | G | V | 100 | D | | 20,117 | D | |
| Common Stock | | | | | | | | 8,729 # | I | ESOP Allocation |
| Common Stock | | | | | | | | 3,412 * | I | 401(k) |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

# Number of ESOP shares is adjusted for a reallocation within the plan.
* Number of shares reported in 401(k) is estimated based on cash value of individual's account and stock price at 12/31/01.

| 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 | 6. Date Exerciseable 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. D Se B O Fo R T (I |

| | | | | | 5) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| Option to Buy | $9.21 | | | | | | | | | | | | |
| Option to Buy | $16.13 | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

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/ Tim Johnson POA for Susan Kolling       November 21, 2002   

**Signature of Reporting Person                    Date

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

  *  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).

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