CAPITAL PURCHASE PROGRAM (CPP) LENDING REPORT

Name of institution: HMN Financial, Inc. (Holding Co); Home Federal Savings Bank (subsidiary)
Person to be contacted about this report: Rick Kvam, Asst Controller (507-535-1211)
Submission date: May 7, 2009

RSSD (for Bank Holding Companies): HMN Financial (2500719); Home Federal Savings Bank (796572)
Holding Company Docket Number (for Thrift Holding Companies): 02818
FDIC Certificate Number (for depository institutions): 29042

LENDING ACTIVITY (Thousands $)	2009 FEB	2009 MAR	Key	Comments
1. Loan Balances				
a. Average Consumer Loans	$251,412	$247,244	Includes: Mortgage Loans held for sale; 1-4 Family and Single Family Construction Mortgage Loans; Saving, Auto, Home Equity, Secured and Unsecured Installment, Lot, Overdraft, Credit Card and Mobile Home Loans	Loans decreased due primarily to payoffs and charge off of nonperforming loans
b. Average Commercial Loans	$672,160	$662,697	Includes: Commercial Real Estate; Commercial Business; Builder, Multifamily and Nonresidential Construction Loans; Multifamily Loans	Commercial loans also decreased due to payoffs and charge off of nonperforming loans.
c. Total Loans (sum of lines a and b)	$923,572	$909,941	Average Loan Totals are net of any deferred fees/costs	

2. General Market Commentary (optional)