

First Financial Northwest, Inc.
 Form 4
 October 11, 2007

FORM 4

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

OMB APPROVAL

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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).

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Edlund Gerald

2. Issuer Name and Ticker or Trading Symbol
 First Financial Northwest, Inc.
 [FFNW]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 201 WELLS AVENUE SOUTH
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/09/2007

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

RENTON, WA 98057
 (City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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		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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)			
Common Stock, &0.01 par value	10/09/2007		P		7,300	A	\$ 10 7,300	D	
Common Stock, \$0.01 par value	10/09/2007		P		3,100	A	\$ 10 10,400	I	By Spouse
Common Stock, \$0.01 par value	10/09/2007		P		16,600	A	\$ 10 27,000	D	(1)

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Common Stock, \$0.01 par value 10/09/2007 P 23,000 A \$ 10 50,000 D (2)

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

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SEC 1474 (9-02)

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

Table with columns: 1. Title of Derivative Security, 2. Conversion or Exercise Price of Derivative Security, 3. Transaction Date, 3A. Deemed Execution Date, if any, 4. Transaction Code, 5. Number of Derivative Securities, 6. Date Exercisable and Expiration Date, 7. Title and Amount of Underlying Securities, 8. Price of Derivative Security, 9. Number of Derivative Securities. Includes sub-headers for Date Exercisable and Expiration Date, and Code V (A) (D).

Reporting Owners

Table with columns: Reporting Owner Name / Address, Relationships (Director, 10% Owner, Officer, Other). Entry for Edlund Gerald at 201 WELLS AVENUE SOUTH, RENTON, WA 98057.

Signatures

/s/Gerald Edlund 10/09/2007

**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) Jointly with spouse.
(2) Through Edlund LLC, a Washington limited liability corporation.

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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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