LITCHFIELD FINANCIAL CORP /MA
Filed by
DION DONALD R JR

FORM SC 13G
(Statement of Ownership)

Filed 02/26/97

Address 430 MAIN STREET
WILLIAMSTOWN, MA 01267
Telephone 4134581000
CIK 0000882515
SIC Code 6162 - Mortgage Bankers and Loan Correspondents
Fiscal Year 12/31
LITCHFIELD FINANCIAL CORP /MA

FORM SC 13G
(Statement of Ownership)

Filed 2/26/1997

Address 430 MAIN STREET
WILLIAMSTOWN, Massachusetts 01267
Telephone 413-458-1000
CIK 0000882515
Fiscal Year 12/31
Litchfield Financial Corporation
(Name of Issuer)

Common Stock, $.01 par value
(Title of Class of Securities)

536619109
(CUSIP Number)

Check the following box if a fee is being paid with this statement [ ]. (A fee is not required only if the filing person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent of or less of such class.) (See Rule 13-d-7).

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities and Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).
NAME OF REPORTING PERSON

Donald R. Dion, Jr.
005-56-6171

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

SEC USE ONLY

CITIZENSHIP OR PLACE OF ORGANIZATION

United States

<table>
<thead>
<tr>
<th>Number of shares beneficially owned by each reporting person</th>
<th>SOLE VOTING POWER</th>
<th>SHARED VOTING POWER</th>
<th>SOLE DISPOSITIVE POWER</th>
<th>SHARED DISPOSITIVE POWER</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>308,399</td>
<td>N/A</td>
<td>308,399</td>
<td>N/A</td>
</tr>
<tr>
<td>6</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
308,399

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES
N/A

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
7.1%

TYPE OF REPORTING PERSON
IN
Item 1(a) Name of Issuer:

Litchfield Financial Corporation

Item 1(b) Address of Issuer's principal executive offices:

789 Main Road
Stamford, VT 05352

Item 2(a) Name of person filing:

Donald R. Dion, Jr.

Item 2(b) Address of principal business office or, if none, residence:

c/o Dion Money Management
279 Main Street
Williamstown, MA 01267

Item 2(c) Citizenship:

United States

Item 2(d) Title of class of securities:

Common Stock, $.01 par value

Item 2(e) CUSIP Number:

536619109

Item 3 If Statement filed pursuant to Rule 13d-1(b) or 13d-2(b),
check whether the person filing is a:

(a) [ ] Broker or Dealer

(b) [ ] Bank

(c) [ ] Insurance Company

(d) [ ] Investment Company

(e) [ ] Investment Advisor

(f) [ ] Employee Benefit Plan, Pension Fund or Endowment Fund
Item 4 Ownership:

(a) Amounts beneficially owned: 308,399

(b) Percent of class: 7.1%

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote: 308,399

(ii) shared power to vote or to direct the vote: N/A

(iii) sole power to dispose or to direct the disposition of: 308,399

(iv) shared power to dispose or to direct the disposition of: N/A

Item 5 Ownership of 5% or Less of a Class:

Not applicable.

Item 6 Ownership of more than 5% on behalf of another person:

Not applicable.

Item 7 Identification and classification of the subsidiary which acquired the security being reported on by the Parent Holding Company:

Not applicable.

Item 8 Identification and classification of members of the Group:

Not applicable.

Item 9 Notice of Dissolution of Group:

Not applicable.

Item 10 Certification:

Not applicable.
After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: 2/13/97

/s/ Donald R. Dion, Jr.
Donald R. Dion, Jr.