

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 1, 2011

REDWOOD TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other
jurisdiction of
incorporation)

001-13759
(Commission File Number)

68-0329422
(I.R.S. Employer
Identification No.)

One Belvedere Place
Suite 300
Mill Valley, California 94941
(Address of principal executive offices and Zip Code)

(415) 389-7373
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

On March 1, 2011, Redwood Trust, Inc. issued a press release announcing the closing of a residential mortgage loan securitization sponsored by the company's wholly-owned subsidiary, RWT Holdings, Inc. A copy of the press release is attached as Exhibit 99.1 to this current Report on Form 8-K.

The information contained in this Item 7.01 and the attached Exhibit 99.1 is furnished to and not filed with the Securities and Exchange Commission, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1 Press Release dated March 1, 2011

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 1, 2011

REDWOOD TRUST, INC.

By: /s/ Andrew P. Stone
Andrew P. Stone
General Counsel & Secretary

Exhibit Index

Exhibit No.

Exhibit Title

99.1

Press Release dated March 1, 2011

**FOR IMMEDIATE RELEASE**

Redwood Trust, Inc.
March 1, 2011

CONTACTS: Martin S. Hughes
President & Chief Executive Officer
(415) 389-7373

Mike McMahon
Managing Director
(415) 384-3805

REDWOOD TRUST ANNOUNCES CLOSING OF PRIME RESIDENTIAL MORTGAGE SECURITIZATION

MILL VALLEY, CA – March 1, 2011 – Redwood Trust, Inc. (NYSE:RWT) today announced the closing of a \$290 million prime jumbo residential mortgage loan securitization sponsored by its wholly-owned subsidiary, RWT Holdings, Inc. The securities that were publicly offered in the securitization were sold to institutional investors by the underwriters of the offering, who were Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, and Jefferies & Company, Inc., with Credit Suisse Securities (USA) LLC acting as the lead managing underwriter. The most senior securities issued in the securitization, representing 92.5% of the principal amount of the securitization, were rated “AAA” at the time of issuance by Fitch, Inc.

“This transaction marks another step toward re-opening the private mortgage securitization market and supports the Treasury Department’s recent finance reform proposal that calls for the private market to become the primary source of mortgage credit for the U.S. housing market. This transaction also supports our belief that triple-A investors will provide attractive financing for prime residential mortgages provided their demands for enhanced disclosure transparency, alignment of interests, high quality collateral, and structural protections are responded to with improvements in these areas,” said Martin S. Hughes, Redwood’s President and CEO. Mr. Hughes further stated, “We look forward to the potential roll-back at the end of September 2011 of the temporary increase in the conforming loan limits applicable to Fannie Mae and Freddie Mac, which would increase the share of the mortgage market for the private sector and reduce future risk to taxpayers.”

“This residential mortgage securitization demonstrates that the private sector can finance residential mortgage loans without government backing at levels that are attractive to borrowers and investors. More specifically, the economics of this transaction support private-sector financing of prime mortgages with rates that are within 0.5% of the rates on mortgages financed through Fannie Mae or Freddie Mac,” said Brett D. Nicholas, Redwood’s Chief Operating Officer. Mr. Nicholas added, “The pricing of this securitization transaction suggests that fears of residential mortgage rates rising by 100 to 150 basis points unless there is government backing through Fannie Mae or Freddie Mac appear to be unfounded.”

About Redwood Trust, Inc. and RWT Holdings, Inc.

Redwood Trust, Inc. (NYSE:RWT) is a publicly traded company structured as a real estate investment trust. RWT Holdings, Inc., a wholly-owned subsidiary of Redwood Trust, Inc., is the sponsor of the securitization described above and has been a sponsor of securitization transactions since 2002.

Other Information

The offering is being conducted as a public offering registered under the Securities Act of 1933 and the regulations promulgated thereunder by the Securities and Exchange Commission, or SEC. Further information regarding the offering is contained in the prospectus referred to below.

The offering is being made by means of a prospectus. This announcement does not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of these securities, in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

SEQUOIA RESIDENTIAL FUNDING, INC., THE DEPOSITOR WITH RESPECT TO SEQUOIA MORTGAGE TRUST 2011-1, HAS FILED A REGISTRATION STATEMENT (INCLUDING A BASE PROSPECTUS) WITH THE SEC FOR THE OFFERING TO WHICH THIS COMMUNICATION RELATES. BEFORE YOU INVEST, YOU SHOULD READ THE BASE PROSPECTUS IN THAT REGISTRATION STATEMENT AND OTHER DOCUMENTS THE DEPOSITOR HAS FILED WITH THE SEC FOR MORE COMPLETE INFORMATION ABOUT THE DEPOSITOR AND THE OFFERING. YOU MAY GET THESE DOCUMENTS AT NO CHARGE BY VISITING EDGAR ON THE SEC WEB SITE AT WWW.SEC.GOV. ALTERNATIVELY, THE DEPOSITOR, ANY UNDERWRITER OR ANY DEALER PARTICIPATING IN THE OFFERING WILL ARRANGE TO SEND YOU THE BASE PROSPECTUS AND OTHER DOCUMENTS THE DEPOSITOR HAS FILED WITH THE SEC AT NO CHARGE IF YOU REQUEST THEM BY CALLING THE INVESTOR RELATIONS DEPARTMENT AT 1-800-221-1037.

The registration statement to which the offering relates is Commission File Numbers 333-159791 and 333-159791-01.

CAUTIONARY STATEMENT: This announcement contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements related to the future of the private mortgage securitization market, the future role of Redwood Trust and its subsidiaries in that market, the future level of the conforming loan limits applicable to Fannie Mae and Freddie Mac, and the future interest rates that may apply to residential mortgages if government support of the residential mortgage finance market is decreased or withdrawn. Forward-looking statements involve numerous risks and uncertainties. Actual events may differ from current expectations and, consequently, you should not rely on these forward-looking statements as predictions of future events. These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in Redwood Trust's Annual Report on Form 10-K for the year ended December 31, 2010, under the caption "Risk Factors." Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected are described below and may be described from time to time in reports Redwood Trust files with the Securities and Exchange Commission, including reports on Forms 10-Q and 8-K. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.
