

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): June 12, 2014

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 June 12, 2014, Redwood Trust, Inc. issued a press release announcing that (i) it has agreed with the Federal Home Loan Bank of Chicago (FHLB-Chicago) to establish MPF Direct, which will allow for the delivery of eligible residential mortgage loans to subsidiaries of Redwood Trust, and (ii) its wholly-owned subsidiary, RWT Financial, LLC, was approved for membership in the Federal Home Loan Bank of Chicago. 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 June 12, 2014

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: June 12, 2014

REDWOOD TRUST, INC.

By: /s/ Andrew P. Stone
Name: Andrew P. Stone
Title: General Counsel and Secretary

Exhibit Index

Exhibit No.

Exhibit Title

99.1

Press Release dated June 12, 2014



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**Redwood Trust to Acquire High-Balance Residential Mortgage Loans
through the Mortgage Partnership Finance® Program**

Mill Valley, CA and Chicago, IL – June 12, 2014 – Redwood Trust, Inc. (NYSE: RWT) announced today that it has agreed with the Federal Home Loan Bank of Chicago (FHLBC) to establish MPF Direct™, a new mortgage purchase product offered by the Mortgage Partnership Finance® (MPF®) Program. MPF Direct will allow members of a Federal Home Loan Bank that participate in the MPF Program to deliver eligible residential high-balance mortgage loans through the MPF Program's operational platform to subsidiaries of Redwood Trust.

Under the agreement, Redwood Trust will be the sole investor in MPF Direct loans for a period of three years. The launch of MPF Direct is subject to the final regulatory approval from the Federal Housing Finance Agency.

Marty Hughes, CEO of Redwood Trust, said "MPF Direct is a great example of how the private sector can work with the FHLBank System to increase the availability of mortgage credit and increase the types of mortgage products that FHLBank members can offer to their customers." Mr. Hughes continued, "We expect to start investing in MPF Direct loans during the second half of 2014."

"Many FHLBank members currently can't offer high-balance, fixed-rate loans to their customers or are forced to sell the loans to a competitor and risk losing the customer relationship," said John Stocchetti, Executive Vice President & Group Head, Mortgage Partnership Finance Program at the FHLBC, which operates the MPF Program for the FHLBank System. "MPF Direct was designed to offer superior execution to the members in a manner that allows them to retain the customer relationship and their deposits. In addition, MPF Direct will add private capital to the secondary mortgage market."

Redwood Trust also announced today that its subsidiary, RWT Financial, LLC, has been approved for membership in the FHLBC, effective June 6, 2014. Through this membership, Redwood Trust will have access to financing offered by the FHLBC for certain assets.

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“Membership in the FHLBC marks an important development for our company and adds to our financing and distribution options for residential mortgage loans,” said Brett Nicholas, President of Redwood Trust. Mr. Nicholas added, “This additional financing source should enable Redwood to expand the types of residential mortgage loan products we can acquire from mortgage loan originators. Ultimately, we believe that mortgage loan borrowers, and the communities in which they live, will benefit from the additional liquidity Redwood is able to provide, consistent with the mission of the FHLBank System.”

About Redwood Trust and RWT Financial

RWT Financial, LLC is a special purpose captive insurance company that is wholly-owned by Redwood Trust, Inc. For more information about Redwood Trust, Inc., please visit its website at: www.redwoodtrust.com.

About the MPF Program

To participate in the MPF Program, a financial institution must be a member of a Federal Home Loan Bank that offers the MPF Program. Currently, new loan purchases are available through the following Federal Home Loan Banks: Atlanta, Boston, Chicago, Dallas, Des Moines, New York, Pittsburgh, San Francisco, Seattle, and Topeka. For more information about the MPF Program, please visit its website at: www.fhlbmf.com.

The U.S. Congress created the FHLBank System, which includes 12 Federal Home Loan Banks across the country, in 1932 to promote housing finance, but the Banks are wholly owned by their member institutions. They provide housing finance to more than 7,700 member commercial banks, savings institutions, insurance companies, and credit unions. “Mortgage Partnership Finance” and “MPF” are registered trademarks of the Federal Home Loan Bank of Chicago. The “MPF Mortgage Partnership Finance” logo and “MPF Direct” are trademarks of the Federal Home Loan Bank of Chicago.

Cautionary Statement: This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements relating to: (i) Redwood agreeing with the Federal Home Loan Bank of Chicago (FHLBC) to establish MPF Direct; (ii) Redwood being the sole investor in MPF Direct loans for a period of three years; (iii) Redwood’s expectation that it will start investing in MPF Direct loans during the second half of 2014; (iv) Redwood’s plans and intentions with respect to accessing FHLBC financing as a result of its subsidiary’s membership in the FHLBC; and (v) the impact of FHLBC membership on Redwood’s ability to expand the types of residential mortgage loan products it acquires. Forward-looking statements involve numerous risks and uncertainties. Forward-looking statements involve numerous risks and uncertainties. Redwood’s actual results may differ from its beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as “anticipate,” “estimate,” “will,” “should,” “expect,” “believe,” “intend,” “seek,” “plan” and similar expressions or their negative forms, or by references to strategy, plans, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in Redwood’s most recent Annual Report on Form 10-K under the caption “Risk Factors.” Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports Redwood files with the Securities and Exchange Commission, including reports on Forms 10-Q and 8-K. Redwood undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.
