

## INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * Kanouse Garnet W (Last) (First) (Middle) 1 BELVEDERE PLACE, SUITE 300 (Street) MILL VALLEY, CA 94941 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 05/18/2017	3. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT]		
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)		5. If Amendment, Date Original Filed (Month/Day/Year)
		See Remarks		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

### Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	2,272	D	
Common Stock	108	I	By Spouse
Common Stock	9,234	I	By Trust

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

### Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Deferred Stock Units	(1)	(2)	Common Stock	122,954 (3)	\$ 15.86 (4)	D	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kanouse Garnet W 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941			See Remarks	

## Signatures

/s/ Garnet W. Kanouse	05/19/2017
**Signature of Reporting Person	Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 5(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) Deferred Stock Units are subject to a mandatory holding period and will be delivered to the Participant at the time provided in the Deferral Election Form, according to the terms and conditions of the Executive Deferred Compensation Plan.
- (2) No expiration date is applicable to deferred stock units.
- (3) Includes grants awarded annually from 2013 to 2017 with four year vesting schedules.

- (4) Represents average grant date fair value of the DSUs issued, based on the fair market value of RWT common stock on the grant dates under the 2002 Incentive Plan and subsequently, the 2014 Incentive Award Plan.

**Remarks:**

Managing Director, Head of Residential

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

**POWER OF ATTORNEY**

KNOW ALL BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Martin S. Hughes, Christopher J. Abate, and Andrew P. Stone and each of them, the undersigned's true and lawful attorney-in-fact to:

- (1) execute for and on behalf of the undersigned, in the undersigned's capacity as an executive officer and/or director of Redwood Trust, Forms 3, 4 and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934 and the rules thereunder; and
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Form 3, 4 or 5, complete and execute any amendment or amendments thereto, and timely file such form with the United States Securities and Exchange Commission and any stock exchange or similar authority.

The undersigned hereby grants to such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorney-in-fact, in serving in such capacity at the request of the undersigned, is not assuming, nor is Redwood Trust assuming, any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4 and 5 with respect to the undersigned's holdings of and transactions in securities issued by Redwood Trust, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorney-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 18th day of May, 2017.

/s/ Garnet Kanouse  
Garnet Kanouse

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