

SCHEDULE 13G

Amendment No. 7  
Redwood Trust Incorporated  
Common Stock  
Cusip #758075402

Cusip #758075402  
Item 1: Reporting Person - FMR Corp.  
Item 4: Commonwealth of Massachusetts  
Item 5: 300  
Item 6: 0  
Item 7: 300  
Item 8: 0  
Item 9: 300  
Item 11: 0.003%  
Item 12: HC

Cusip #758075402  
Item 1: Reporting Person - Edward C. Johnson 3d  
Item 4: United States of America  
Item 5: 0  
Item 6: 0  
Item 7: 300  
Item 8: 0  
Item 9: 300  
Item 11: 0.003%  
Item 12: IN

Cusip #758075402  
Item 1: Reporting Person - Abigail P. Johnson  
Item 4: United States of America  
Item 5: None  
Item 6: None  
Item 7: 300  
Item 8: None  
Item 9: 300  
Item 11: 0.003%  
Item 12: IN

SCHEDULE 13G - TO BE INCLUDED IN STATEMENTS  
FILED PURSUANT TO RULE 13d-1(b) or 13d-2(b)

Item 1(a). Name of Issuer:

Redwood Trust Incorporated

Item 1(b). Name of Issuer's Principal Executive Offices:

591 Redwood Highway, Suite 3100  
Mill Valley, CA 94941

Item 2(a). Name of Person Filing:

FMR Corp.

Item 2(b). Address or Principal Business Office or, if None,  
Residence:

82 Devonshire Street, Boston,  
Massachusetts 02109

Item 2(c). Citizenship:

Not applicable

Item 2(d). Title of Class of Securities:

Common Stock

Item 2(e). CUSIP Number:

758075402

Item 3. This statement is filed pursuant to Rule 13d-1(b) or 13d-2(b)  
and the person filing, FMR Corp., is a parent holding company  
in accordance with Section 240.13d-1(b)(ii)(G). (Note: See  
Item 7).

Item 4. Ownership

(a) Amount Beneficially Owned: 300

(b) Percent of Class: 0.003%

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

(i) sole power to vote or to direct the vote: 300

(ii) shared power to vote or to direct the vote: 0

(iii) sole power to dispose or to direct the disposition of: 300

(iv) shared power to dispose or to direct the disposition of: 0

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof, the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following (X).

Item 6. Ownership of More than Five Percent 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.

See attached Exhibit(s) A, B.

Item 8. Identification and Classification of Members of the Group.

Not Applicable. See attached Exhibit A.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

Inasmuch as the reporting persons are no longer the beneficial owners of more than five percent of the number of shares outstanding, the reporting persons have no further reporting obligation under Section 13(d) of the Securities and Exchange Commission thereunder, and the reporting persons have no obligation to amend this Statement if any material change occurs in the facts set forth herein.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Schedule 13G in connection with FMR Corp.'s beneficial ownership of the Common Stock of Redwood Trust Incorporated at August 31, 2001 is true, complete and correct.

September 10, 2001  
Date

/s/Eric D. Roiter  
Signature

Eric D. Roiter  
Duly authorized under Power of Attorney dated December 30, 1997 by and on behalf of FMR Corp. and its direct and indirect subsidiaries

Street, Boston, Massachusetts 02109, a wholly-owned subsidiary of FMR Corp. and a bank as defined in Section 3(a)(6) of the Securities Exchange Act of 1934, is the beneficial owner of 300 shares or 0.003% of the Common Stock outstanding of the Company as a result of its serving as investment manager of the institutional account(s).

Edward C. Johnson 3d and FMR Corp., through its control of Fidelity Management Trust Company, each has sole dispositive power over 300 shares and sole power to vote or to direct the voting of 300 shares of Common Stock owned by the institutional account(s) as reported above.

Members of the Edward C. Johnson 3d family are the predominant owners of Class B shares of common stock of FMR Corp., representing approximately 49% of the voting power of FMR Corp. Mr. Johnson 3d owns 12.0% and Abigail Johnson owns 24.5% of the aggregate outstanding voting stock of FMR Corp. Mr. Johnson 3d is Chairman of FMR Corp. and Abigail P. Johnson is a Director of FMR Corp. The Johnson family group and all other Class B shareholders have entered into a shareholders' voting agreement under which all Class B shares will be voted in accordance with the majority vote of Class B shares. Accordingly, through their ownership of voting common stock and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR Corp.

SCHEDULE 13G - TO BE INCLUDED IN STATEMENTS

FILED PURSUANT TO RULE 13d-1(b) or 13d-2(b)  
RULE 13d-1(f)(1) AGREEMENT

The undersigned persons, on September 10, 2001, agree and consent to the joint filing on their behalf of this Schedule 13G in connection with their beneficial ownership of the Common Stock of Redwood Trust Incorporated at August 31, 2001.

FMR Corp.

By /s/Eric D. Roiter  
Eric D. Roiter  
Duly authorized under Power of Attorney  
dated December 30, 1997, by and on behalf  
of FMR Corp. and its direct and indirect  
subsidiaries

Edward C. Johnson 3d

By /s/Eric D. Roiter  
Eric D. Roiter  
Duly authorized under Power of Attorney  
dated December 30, 1997, by and on behalf  
of Edward C. Johnson 3d

Abigail P. Johnson

By /s/Eric D. Roiter  
Eric D. Roiter  
Duly authorized under Power of Attorney  
dated December 30, 1997, by and on behalf  
of Abigail P. Johnson