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

**FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Quarterly Period Ended: March 31, 2026**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Transition Period from _______________ to _______________.**
**Commission File Number 1-13759**

# REDWOOD TRUST, INC.

(Exact Name of Registrant as Specified in Its Charter)

| **Maryland** | **68-0329422** |
|---|---|
| (State or Other Jurisdiction of Incorporation or Organization) | (I.R.S. Employer Identification No.) |
| **One Belvedere Place, Suite 300**<br>**Mill Valley, California** | **94941** |
| (Address of Principal Executive Offices) | (Zip Code) |

**(415) 389-7373**
(Registrant's Telephone Number, Including Area Code)
**Not Applicable**
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒
Securities registered pursuant to Section 12(b) of the Act:

| **Title of each class** | **Trading symbol(s)** | **Name of each exchange on which registered** |
|---|---|---|
| Common stock, par value $0.01 per share | RWT | New York Stock Exchange |
| 10% Series A Fixed-Rate Reset Cumulative Redeemable Preferred Stock, par value $0.01 per share | RWT PRA | New York Stock Exchange |
| 9.125% Senior Notes Due 2029 | RWTN | New York Stock Exchange |
| 9.0% Senior Notes Due 2029 | RWTO | New York Stock Exchange |
| 9.125% Senior Notes Due 2030 | RWTP | New York Stock Exchange |
| 9.500% Senior Notes Due 2030 | RWTQ | New York Stock Exchange |

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| | |
|---|---|
| Common Stock, $0.01 par value per share | 125,215,737 shares outstanding as of May 7, 2026 |

**REDWOOD TRUST, INC.**
**2026 FORM 10-Q REPORT**
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## PART I. FINANCIAL INFORMATION

**Item 1. Financial Statements**

## REDWOOD TRUST, INC. AND SUBSIDIARIES
## CONSOLIDATED BALANCE SHEETS

| (In Thousands, except Share Data) (Unaudited) | March 31, 2026 | December 31, 2025 |
|---|---|---|
| **ASSETS** [1] | | |
| Residential consumer loans | $ 21,299,884 | $ 17,935,761 |
| Residential investor loans | 3,310,545 | 3,616,664 |
| Home equity investments | 341,101 | 329,883 |
| Real estate securities | 476,387 | 423,016 |
| Servicing investments | 299,696 | 302,230 |
| Strategic investments | 106,728 | 101,958 |
| Derivative assets | 154,880 | 105,597 |
| Cash and cash equivalents | 202,414 | 255,664 |
| Restricted cash | 92,285 | 193,446 |
| Goodwill | 23,373 | 23,373 |
| Other assets | 508,504 | 413,522 |
| **Total Assets** | $ 26,815,797 | $ 23,701,114 |
| | | |
| **LIABILITIES AND EQUITY** [1] | | |
| **Liabilities** | | |
| Asset-backed securities issued | $ 20,417,812 | $ 17,492,031 |
| Debt obligations, net | 4,867,368 | 4,799,382 |
| Derivative liabilities | 156,244 | 28,150 |
| Accrued expenses and other liabilities | 417,662 | 398,935 |
| **Total liabilities** | 25,859,086 | 22,718,498 |
| Commitments and Contingencies (see *Note 19*) | | |
| **Equity** | | |
| Preferred stock, par value $0.01 per share, 2,990,000 shares authorized; 2,800,000 issued and outstanding | 66,948 | 66,948 |
| Common stock, par value $0.01 per share, 392,010,000 shares authorized; 125,015,499 and 124,459,837 issued and outstanding | 1,250 | 1,245 |
| Additional paid-in capital | 2,468,269 | 2,463,473 |
| Accumulated other comprehensive loss | (31,367) | (31,669) |
| Cumulative earnings | 1,107,107 | 1,114,360 |
| Cumulative distributions to stockholders | (2,655,496) | (2,631,741) |
| **Total Equity** | 956,711 | 982,616 |
| **Total Liabilities and Equity** | $ 26,815,797 | $ 23,701,114 |

(1) Our consolidated balance sheets include assets of consolidated variable interest entities ("VIEs") that can only be used to settle obligations of these VIEs and liabilities of consolidated VIEs for which creditors do not have recourse to Redwood Trust, Inc. or its affiliates. At March 31, 2026 and December 31, 2025, assets of consolidated VIEs totaled $22,076,415 and $18,927,094, respectively. At March 31, 2026 and December 31, 2025, liabilities of consolidated VIEs totaled $20,784,429 and $17,850,175, respectively. See *Note 16* for further discussion.

*The accompanying notes are an integral part of these consolidated financial statements.*

**REDWOOD TRUST, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF (LOSS) INCOME**

| (In Thousands, except Share Data) (Unaudited) | Three Months Ended March 31, 2026 | Three Months Ended March 31, 2025 |
|---|---|---|
| **Interest Income** | | |
| Residential consumer loans | $ 276,635 | $ 162,343 |
| Residential investor loans | 57,039 | 78,155 |
| Consolidated Agency multifamily loans | — | 4,448 |
| Real estate securities | 15,187 | 18,537 |
| Other interest income | 8,058 | 8,611 |
| Total interest income | 356,919 | 272,094 |
| **Interest Expense** | | |
| Asset-backed securities issued | (238,218) | (179,370) |
| Debt obligations | (83,984) | (64,782) |
| Total interest expense | (322,202) | (244,152) |
| **Net Interest Income** | 34,717 | 27,942 |
| **Non-Interest Income** | | |
| Mortgage banking activities, net | 31,964 | 33,053 |
| Investment fair value changes, net | (23,199) | (5,188) |
| HEI income, net | 7,109 | 10,166 |
| Servicing income, net | 8,021 | 3,407 |
| Fee income, net | 2,886 | 2,351 |
| Other income, net | 2,437 | 1,550 |
| Realized gains, net | — | 567 |
| Total non-interest income, net | 29,218 | 45,906 |
| General and administrative expenses | (49,358) | (37,471) |
| Portfolio management costs | (8,729) | (6,491) |
| Loan acquisition costs | (6,729) | (3,568) |
| Other expenses | (7,125) | (3,909) |
| **Net (Loss) Income Before Provision for Income Taxes** | (8,006) | 22,409 |
| Benefit from (Provision for) income taxes | 2,503 | (6,262) |
| **Net (Loss) Income** | $ (5,503) | $ 16,147 |
| Dividends on preferred stock | (1,750) | (1,750) |
| **Net (Loss) Income (Related) Available To Common Stockholders** | $ (7,253) | $ 14,397 |
| | | |
| Basic (loss) earnings per common share | $ (0.07) | $ 0.10 |
| Diluted (loss) earnings per common share | $ (0.07) | $ 0.10 |
| Basic weighted average common shares outstanding | 124,769,331 | 132,766,199 |
| Diluted weighted average common shares outstanding | 124,769,331 | 132,766,199 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**REDWOOD TRUST, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**

| (In Thousands) | Three Months Ended March 31, | |
|---|---|---|
| (Unaudited) | 2026 | 2025 |
| **Net (Loss) Income** | $ (5,503) | $ 16,147 |
| Other comprehensive income: | | |
| Net unrealized (loss) gain on available-for-sale ("AFS") securities | (4,189) | 3,422 |
| Reclassification of unrealized loss (gain) on AFS securities to net (loss) income | 3,473 | (709) |
| Reclassification of unrealized loss on interest rate agreements to net (loss) income | 1,018 | 1,018 |
| Total other comprehensive income | $ 302 | $ 3,731 |
| **Comprehensive (Loss) Income** | $ (5,201) | $ 19,878 |
| Dividends on preferred stock | $ (1,750) | $ (1,750) |
| **Comprehensive (Loss) Income (Related) Available To Common Stockholders** | $ (6,951) | $ 18,128 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## REDWOOD TRUST, INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

**For the Three Months Ended March 31, 2026**

| (In Thousands, except Share Data) (Unaudited) | Preferred Stock | Common Stock Shares | Common Stock Par Value | Additional Paid-In Capital | Accumulated Other Comprehensive (Loss) | Cumulative Earnings | Cumulative Distributions to Stockholders | Total |
|---|---|---|---|---|---|---|---|---|
| **December 31, 2025** | $ 66,948 | 124,459,837 | $ 1,245 | $ 2,463,473 | $ (31,669) | $ 1,114,360 | $ (2,631,741) | $ 982,616 |
| Net (loss) | — | — | — | — | — | (5,503) | — | (5,503) |
| Other comprehensive income | — | — | — | — | 302 | — | — | 302 |
| Employee stock purchase and incentive plans | — | 555,662 | 5 | (1,419) | — | — | — | (1,414) |
| Non-cash equity award compensation and other | — | — | — | 6,215 | — | — | — | 6,215 |
| Preferred dividends declared ($0.625 per share) | — | — | — | — | — | (1,750) | — | (1,750) |
| Common dividends declared ($0.18 per share)[(1)] | — | — | — | — | — | — | (23,755) | (23,755) |
| **March 31, 2026** | $ 66,948 | 125,015,499 | $ 1,250 | $ 2,468,269 | $ (31,367) | $ 1,107,107 | $ (2,655,496) | $ 956,711 |

**For the Three Months Ended March 31, 2025**

| (In Thousands, except Share Data) (Unaudited) | Preferred Stock | Common Stock Shares | Common Stock Par Value | Additional Paid-In Capital | Accumulated Other Comprehensive (Loss) | Cumulative Earnings | Cumulative Distributions to Stockholders | Total |
|---|---|---|---|---|---|---|---|---|
| **December 31, 2024** | $ 66,948 | 132,519,579 | $ 1,325 | $ 2,504,029 | $ (43,071) | $ 1,191,401 | $ (2,532,769) | $ 1,187,863 |
| Net income | — | — | — | — | — | 16,147 | — | 16,147 |
| Other comprehensive income | — | — | — | — | 3,731 | — | — | 3,731 |
| Employee stock purchase and incentive plans | — | 485,735 | 5 | (2,256) | — | — | — | (2,251) |
| Non-cash equity award compensation and other | — | — | — | 5,104 | — | — | — | 5,104 |
| Preferred dividends declared ($0.625 per share) | — | — | — | — | — | (1,750) | — | (1,750) |
| Common dividends declared ($0.18 per share)[(1)] | — | — | — | — | — | — | (25,350) | (25,350) |
| **March 31, 2025** | $ 66,948 | 133,005,314 | $ 1,330 | $ 2,506,877 | $ (39,340) | $ 1,205,798 | $ (2,558,119) | $ 1,183,494 |

(1) Includes dividends and dividend equivalents declared on common stock and stock-based compensation awards.

*The accompanying notes are an integral part of these consolidated financial statements.*

**REDWOOD TRUST, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| (In Thousands) (Unaudited) | Three Months Ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| **Cash Flows From Operating Activities:** | | |
| Net (loss) income | $ (5,503) | $ 16,147 |
| Adjustments to reconcile net (loss) income to net cash used in operating activities: | | |
| Amortization of premiums, discounts, and debt issuance costs, net | 2,857 | 2,941 |
| Depreciation and amortization of non-financial assets | 2,272 | 2,753 |
| Originations of held-for-sale loans | (407,693) | (424,285) |
| Purchases of held-for-sale loans | (6,705,199) | (2,363,479) |
| Proceeds from sales of held-for-sale loans | 2,626,724 | 751,376 |
| Principal payments on held-for-sale loans | 56,270 | 30,412 |
| Net settlements of derivatives | (7,338) | (73,528) |
| Non-cash equity award compensation expense and other | 6,215 | 5,104 |
| Market valuation adjustments | (11,656) | (33,153) |
| Realized gains, net | — | (567) |
| Net change in: | | |
| Other assets | (83,317) | 37,286 |
| Accrued expenses and other liabilities | 18,777 | 96,488 |
| Net cash used in operating activities | (4,507,591) | (1,952,505) |
| **Cash Flows From Investing Activities:** | | |
| Originations and purchases of loan investments | (218,156) | (43,383) |
| Proceeds from sales of loans | — | 12,346 |
| Principal payments on loan investments | 1,456,771 | 683,441 |
| Purchases of HEI | (2,612) | (1,834) |
| Repayments on HEI | 3,926 | 10,348 |
| Purchases of real estate securities | (54,791) | (9,203) |
| Proceeds from sales of real estate securities | 25,670 | 14,387 |
| Principal payments on real estate securities | 483 | 258 |
| Repayments from servicer advance investments, net | 18,207 | (1,956) |
| Other investing activities, net | (735) | (5,647) |
| Net cash provided by investing activities | 1,228,763 | 658,757 |
| **Cash Flows From Financing Activities:** | | |
| Proceeds from issuance of asset-backed securities | 4,811,866 | 1,625,956 |
| Repayments on asset-backed securities issued | (1,720,006) | (564,436) |
| Proceeds from borrowings on debt obligations | 6,852,337 | 3,122,514 |
| Repayments on debt obligations | (6,787,171) | (2,823,608) |
| Debt issuance costs paid | (2,572) | (3,779) |
| Taxes paid on equity award distributions | (1,511) | (2,361) |
| Net proceeds from issuance of common stock | 97 | 110 |
| Net payments on repurchase of common stock | (1,118) | — |
| Dividends paid on common stock | (23,755) | (25,350) |
| Dividends paid on preferred stock | (1,750) | (1,750) |
| Other financing activities, net | (2,000) | — |
| Net cash provided by financing activities | 3,124,417 | 1,327,296 |
| Net (decrease) increase in cash, cash equivalents and restricted cash | (154,411) | 33,548 |
| Cash, cash equivalents and restricted cash at beginning of period | 449,110 | 312,927 |
| Cash, cash equivalents and restricted cash at end of period | $ 294,699 | $ 346,475 |
| | | |
| Cash and cash equivalents at end of period | 202,414 | 259,918 |
| Restricted cash at end of period [1] | 92,285 | 86,557 |
| Cash, cash equivalents and restricted cash at end of period | $ 294,699 | $ 346,475 |

**REDWOOD TRUST, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

| (In Thousands)<br>(Unaudited) | Three Months Ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| **Supplemental Cash Flow Information:** | | |
| Cash paid during the period for: | | |
| Interest | $ 298,473 | $ 230,529 |
| Taxes paid | — | 12 |
| **Supplemental Noncash Information:** | | |
| Dividends declared but not paid on preferred stock | 1,478 | 1,478 |
| Retention of mortgage servicing rights from loan sales | 1,693 | — |
| Transfers from loans held-for-sale to loans held-for-investment | 4,699,833 | 1,771,471 |
| Transfers from residential consumer loans to real estate owned | 26,377 | 4,590 |
| Right-of-use asset obtained in exchange for operating lease liability | — | 2,907 |

(1) Restricted cash primarily includes cash held at our consolidated Servicing Investment entities, and cash associated with our risk-sharing transactions, as well as cash collateral for certain consolidated securitization entities.

*The accompanying notes are an integral part of these consolidated financial statements.*

**Note 1. Organization**

Redwood Trust, Inc., together with its subsidiaries, is a specialty finance company focused on several distinct areas of housing credit, with a mission to make quality housing — whether rented or owned — accessible to all American households. Our operating platforms occupy a unique position in the housing finance value chain by providing liquidity to growing segments of the U.S. housing market that are not well served by government programs. We deliver customized housing credit investments to a diverse mix of investors, through our best-in-class securitization platforms, whole-loan distribution activities, joint ventures and our publicly traded shares. We operate through three core residential housing-focused operating platforms — Sequoia, Aspire, and CoreVest — alongside our complementary Redwood Investments portfolio which is primarily composed of assets we source through these platforms. Redwood Investments also includes RWT Horizons®, our unified technology platform spanning internal artificial intelligence ("AI") innovation and strategic investments across the ecosystem, which supports our efforts to develop an AI-first operating model that enables compounding operational leverage and scalable growth. These platforms reflect how we manage and organize our business and may differ from the manner in which our reportable segments are presented for financial reporting purposes. See *Note 4* for further discussion on our reportable segments.

Our goal is to provide attractive returns to shareholders through a stable and growing stream of earnings and dividends, capital appreciation, and a continued commitment to technological innovation that supports disciplined, risk-minded growth. Our primary sources of income are net interest income from our investments and non-interest income from our mortgage banking activities. Net interest income primarily consists of the interest income we earn on investments, less the interest expense we incur on borrowed funds and other liabilities. Non-interest income from mortgage banking activities is generated through the origination and acquisition of loans, and their subsequent sale, securitization, or transfer to our investment portfolios.

Redwood Trust, Inc. has elected to be taxed as a real estate investment trust (“REIT”) under the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), beginning with its taxable year ended December 31, 1994. We generally refer, collectively, to Redwood Trust, Inc. and those of its subsidiaries that are generally not subject to subsidiary-level corporate income tax as “the REIT” or “our REIT.” We generally refer to subsidiaries of Redwood Trust, Inc. that are subject to subsidiary-level corporate income tax as “our taxable REIT subsidiaries” or “TRS.”

Redwood Trust, Inc. was incorporated in the State of Maryland on April 11, 1994, and commenced operations on August 19, 1994. References herein to “Redwood,” the “company,” “we,” “us,” and “our” include Redwood Trust, Inc. and its consolidated subsidiaries, unless the context otherwise requires. For a full description of our business, see *Part I, Item 1—Business* in our Annual Report on Form 10-K for the year ended December 31, 2025.

**Note 2. Basis of Presentation**

The consolidated financial statements presented herein are as of March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025. These interim unaudited consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and GAAP. Certain disclosures typically included in our annual financial statements may be condensed or omitted from these interim financial statements, as permitted. The disclosures included in these interim financial statements are intended to be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. In the opinion of management, all normal and recurring adjustments have been made to present fairly the financial condition of the Company at March 31, 2026 and results of operations for all periods presented. The results of operations for the three months ended March 31, 2026 should not be construed as indicative of the results to be expected for the full year.

During the three months ended March 31, 2026, we established Aspire Mortgage Banking as a new reportable segment to separately disclose financial results for our expanded-credit residential mortgage platform, which was previously included within the Sequoia Mortgage Banking segment. Aspire Mortgage Banking includes our non-QM loan conduit, which focuses on loans and investments under expanded underwriting criteria. This change had no impact on the consolidated financial statements and all prior period amounts were conformed to the current presentation. See *Note 4* for further discussion on our reportable segments.

**Note 2. Basis of Presentation - (continued)**

During the same period, we began allocating our preferred stock dividend expense as well as our corporate financing costs, comprised of interest expense on our unsecured promissory notes, trust preferred securities, convertible debt, and senior notes, to our operating or reportable segments for informational purposes. Corporate and other activities that are not directly attributable to the Company's operating segments are included in Corporate/Other. This change had no impact on the consolidated financial statements and all prior period amounts were conformed to the current presentation.

During the second quarter of 2025, we established Legacy Investments as a new reportable segment to separately disclose financial results for assets that are no longer aligned with our core strategic objectives. These assets include our legacy unsecuritized bridge and term portfolios, residential re-performing loan securities and other non-core legacy assets that are intended for sale, runoff, or other forms of disposition as part of our ongoing strategic realignment.

See *Note 4* for further discussion on our reportable segments.

***Principles of Consolidation***

Our consolidated financial statements include the accounts of the entities where the Company has a controlling financial interest. The method for determining whether a controlling financial interest exists varies depending on whether the entity is a VIE.

The Company has a controlling financial interest in and consolidates a VIE when the firm has a variable interest or interests that provide it with (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits for the VIE that could potentially be significant to the VIE. See *Note 16* for further information about VIEs. For entities that are not VIEs, we have a controlling financial interest in entities where we hold a majority of the voting rights. We use the equity method to account for our interest in entities in which we do not have a controlling financial interest, but over which we have significant influence.

For financial reporting purposes, we consolidate the assets and liabilities of certain entities formed in connection with the securitization of our loans and Home Equity Investments ("HEI"), which we have determined to be VIEs and in which we have a controlling financial interest. The underlying loans owned at the consolidated securitization entities are shown under residential consumer loans and residential investor loans on our consolidated balance sheets. In our consolidated statements of income, we record interest income on the loans owned at these entities and interest expense on the ABS issued by these entities as well as fair value changes, other income and expenses associated with these entities' activities. The Asset-Backed securities ("ABS") issued to third parties by these entities are shown under ABS issued. See *Note 17* for further discussion on ABS issued. The underlying HEI at the consolidated HEI securitization entity are shown under Home equity investments on our consolidated balance sheets and the associated fair value changes and interest expense associated with ABS issued are shown under HEI income, net on our consolidated statements of (loss) income. See *Note 10* for further discussion on HEI.

We also consolidate two partnerships ("Servicing Investment" entities) through which we have invested in servicing-related assets. We maintain an 80% ownership interest in each entity and have determined that we are the primary beneficiary of these partnerships. We account for the co-investors' interests as non-controlling interests, see *Note 15* for further discussion.

See *Note 16* for further discussion on Principles of consolidation.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates and assumptions.

**Note 3. Summary of Significant Accounting Policies**

***Significant Accounting Policies***

Included in *Note 3* to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2025 is a summary of our significant accounting policies.

***Recent Accounting Pronouncements***

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." This ASU requires additional disclosures on disaggregated information about certain income statement expense line items including employee compensation, depreciation, amortization and depletion. This new guidance is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. We expect that this new guidance will result in additional disclosures in our consolidated financial statements and plan to adopt this new guidance by the required date.

In September 2025, the FASB issued ASU 2025-06, “Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements.” This ASU replaces the existing stage-based model for internal-use software with a principle-based “probable-to-complete” capitalization threshold and relocates website development guidance into Subtopic 350-40. The new standard is effective for annual periods beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of this guidance and plan to adopt it by the required effective date.

The Company reviewed other recently issued ASUs and determined that they were not expected to have a significant impact on the Company's consolidated financial statements when adopted or did not have a significant impact on the Company's consolidated financial statements upon adoption.

**Note 4. Segment Information**

We report our results through five reportable segments: Sequoia Mortgage Banking, Aspire Mortgage Banking, CoreVest Mortgage Banking, Redwood Investments and Legacy Investments. This segmentation aligns with the results of operations presented to our Chief Operating Decision Maker ("CODM") in reviewing the Company for performance assessment and resource allocation. We identify our CODM to be a group consisting of the Company's Chief Executive Officer, President and Chief Financial Officer.

Our CODM evaluates performance and allocates resources on each respective segment primarily based on segment net income (loss), also referred to as segment contribution, which is also used to assess the annual budget and forecasting process and to consider budget-to-actual variances when allocating capital and personnel to the segments throughout the year.

During the three months ended March 31, 2026, we established Aspire Mortgage Banking as a new reportable segment to separately disclose financial results for our expanded-credit residential mortgage platform, which was previously included within the Sequoia Mortgage Banking segment. This change reflects the manner in which the operations are evaluated by the CODM and the increasing scale and distinct operating characteristics of this platform. Aspire Mortgage Banking includes our non-QM loan conduit, which focuses on loans and investments under expanded underwriting criteria. This change in segment presentation aligns with how management assesses performance under ASC 280, *Segment Reporting*, and has been applied retrospectively to all prior periods presented in this Quarterly Report on Form 10-Q. This change had no impact on the consolidated financial statements and all prior period amounts were conformed to the current presentation.

The accounting policies applied to the segments are the same as those described in *Note 3* to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2025. During the three months ended March 31, 2026, we began allocating our preferred stock dividend expense as well as our corporate unsecured financing costs, comprised of interest expense on our unsecured promissory notes, trust preferred securities, convertible debt, and senior notes, to our operating or reportable segments for informational purposes. Corporate and other activities that are not directly attributable to the Company’s operating segments are included in Corporate/Other. This change had no impact on the consolidated financial statements and all prior period amounts were conformed to the current presentation.

**Note 4. Segment Information - (continued)**

In the normal course of business, loans are originated and acquired at our mortgage banking segments and may subsequently be transferred to our Redwood Investments segment either as whole loans or through the retention of securities from securitizations we sponsor and consolidate under GAAP. Our loans are accounted for under the fair value option or at the lower of cost or market value for which the carrying value approximates the fair value. Amounts transferred between segments are accounted for at fair value at the time of transfer. For a full description of our segments, see *Part I, Item 1—Business* in our Annual Report on Form 10-K for the year ended December 31, 2025.

The following tables present financial information by segment for the three months ended March 31, 2026 and 2025.

***Table 4.1 – Business Segment Financial Information***

| | Three Months Ended March 31, 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| **(In Thousands)** | **Sequoia** | **Aspire** | **CoreVest** | **Redwood Investments** | **Legacy Investments** | **Corporate/ Other** | **Total** |
| Interest income | $ 61,306 | $ 18,408 | $ 4,192 | $ 268,748 | $ 4,000 | $ 265 | $ 356,919 |
| Interest expense | (36,337) | (14,766) | (2,083) | (256,306) | (12,710) | — | (322,202) |
| **Net interest income (expense)** | 24,969 | 3,642 | 2,109 | 12,442 | (8,710) | 265 | 34,717 |
| **Non-interest income** | | | | | | | |
| Mortgage banking activities, net, excluding risk management derivatives | 57,962 | (1,544) | 6,928 | — | — | — | 63,346 |
| Risk management derivatives (losses) gains, net [(1)] | (35,911) | 4,228 | 301 | — | — | — | (31,382) |
| Total Mortgage banking activities, net | 22,051 | 2,684 | 7,229 | — | — | — | 31,964 |
| Investment fair value changes, net, excluding risk management derivatives | — | — | (265) | 22,815 | (7,475) | — | 15,075 |
| Risk management derivatives (losses) gains, net [(1)] | — | — | — | (38,258) | (16) | — | (38,274) |
| Total Investment fair value changes, net | — | — | (265) | (15,443) | (7,491) | — | (23,199) |
| HEI income, net | — | — | — | 575 | 6,534 | — | 7,109 |
| Servicing income, net | — | — | — | 8,021 | — | — | 8,021 |
| Fee income (loss), net | — | — | 2,827 | 192 | (133) | — | 2,886 |
| Other income, net | — | — | 589 | 898 | 950 | — | 2,437 |
| Realized gains, net | — | — | — | — | — | — | — |
| **Total non-interest income (loss), net** | 22,051 | 2,684 | 10,380 | (5,757) | (140) | — | 29,218 |
| General and administrative expenses | (7,049) | (2,466) | (12,988) | (3,384) | (16) | (23,455) | (49,358) |
| Portfolio management costs | — | — | — | (4,155) | (4,547) | (27) | (8,729) |
| Loan acquisition costs | (2,841) | (1,046) | (2,842) | — | — | — | (6,729) |
| Other expenses | — | — | (2,010) | (5,115) | — | — | (7,125) |
| Benefit from (Provision for) income taxes | 1,245 | (342) | 2,061 | (1,373) | 610 | 302 | 2,503 |
| **Net Income (Loss)** | $ 38,375 | $ 2,472 | $ (3,290) | $ (7,342) | $ (12,803) | $ (22,915) | $ (5,503) |
| Dividends on preferred stock | (544) | (204) | (87) | (658) | (257) | — | (1,750) |
| **Net Income (Loss) Available (Related) To Common Stockholders [(2)]** | $ 37,831 | $ 2,268 | $ (3,377) | $ (8,000) | $ (13,060) | $ (22,915) | $ (7,253) |
| **Total Assets** | $ 2,573,719 | $ 891,538 | $ 329,333 | $ 21,903,485 | $ 945,021 | $ 172,701 | $ 26,815,797 |

(1) Represents market valuation changes of derivatives that were used to manage risks associated with our Mortgage Banking platforms, Redwood Investments and Legacy Investments. Mortgage banking activities, net, also includes other derivative financial instruments such as loan purchase commitments and interest rate locks.

(2) Net Income (Loss) by segment is also referred to as Segment Contribution (Loss).

**Note 4. Segment Information - (continued)**

| (In Thousands) | Three Months Ended March 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Sequoia | Aspire | CoreVest | Redwood Investments | Legacy Investments | Corporate/ Other | Total |
| Interest income | $ 31,639 | $ 44 | $ 4,394 | $ 201,570 | $ 34,151 | $ 296 | $ 272,094 |
| Interest expense | (17,017) | (227) | (3,011) | (185,046) | (38,851) | — | (244,152) |
| **Net interest income (expense)** | 14,622 | (183) | 1,383 | 16,524 | (4,700) | 296 | 27,942 |
| **Non-interest income (loss)** | | | | | | | |
| Mortgage banking activities, net, excluding risk management derivatives | 1,131 | 233 | 13,847 | — | — | — | 15,211 |
| Risk management derivatives gains, net [1] | 20,787 | — | (2,945) | — | — | — | 17,842 |
| Total Mortgage banking activities, net | 21,918 | 233 | 10,902 | — | — | — | 33,053 |
| Investment fair value changes, net, excluding risk management derivatives | — | — | — | (22,748) | (3,071) | — | (25,819) |
| Risk management derivatives (losses), net [1] | — | — | — | 26,291 | (5,660) | — | 20,631 |
| Total Investment fair value changes, net | — | — | — | 3,543 | (8,731) | — | (5,188) |
| HEI income, net | — | — | — | 55 | 10,111 | — | 10,166 |
| Servicing income, net | — | — | — | 3,407 | — | — | 3,407 |
| Fee income, net | — | — | 3,079 | 142 | (870) | — | 2,351 |
| Other income (loss), net | — | — | — | 507 | — | 1,043 | 1,550 |
| Realized gains, net | — | — | — | 567 | — | — | 567 |
| **Total non-interest income (loss), net** | 21,918 | 233 | 13,981 | 8,221 | 510 | 1,043 | 45,906 |
| General and administrative expenses | (5,418) | (928) | (9,958) | (1,870) | (16) | (19,281) | (37,471) |
| Portfolio management costs | — | — | — | (2,060) | (4,431) | — | (6,491) |
| Loan acquisition costs | (1,071) | — | (2,497) | — | — | — | (3,568) |
| Other expenses | — | — | (2,202) | (1,707) | — | — | (3,909) |
| (Provision for) Benefit from income taxes | (7,191) | (70) | 648 | 304 | — | 47 | (6,262) |
| **Net Income (Loss)** | $ 22,860 | $ (948) | $ 1,355 | $ 19,412 | $ (8,637) | $ (17,895) | $ 16,147 |
| Dividends on preferred stock | (406) | (17) | (67) | (552) | (708) | — | (1,750) |
| **Net Income (Loss) Available (Related) To Common Stockholders [2]** | $ 22,454 | $ (965) | $ 1,288 | $ 18,860 | $ (9,345) | $ (17,895) | $ 14,397 |
| **Total Assets** | $ 1,543,436 | $ 15,681 | $ 343,985 | $ 14,514,702 | $ 3,087,249 | $ 366,722 | $ 19,871,775 |

(1) Represents market valuation changes of derivatives that were used to manage risks associated with our Mortgage Banking platforms, Redwood Investments and Legacy Investments. Mortgage banking activities, net, also includes other derivative financial instruments such as loan purchase commitments and interest rate locks.

(2) Net Income (Loss) by segment is also referred to as Segment Contribution (Loss).

**Note 5. Mortgage Banking Activities, Net**

Mortgage banking activities, net includes changes in fair value of loans held-for-sale, loan purchase commitments, interest rate lock commitments and related risk management derivatives held in our Sequoia Mortgage Banking, Aspire Mortgage Banking and CoreVest Mortgage Banking segments. During the three months ended March 31, 2026, Aspire Mortgage Banking became its own reportable segment; accordingly, we began presenting Aspire Mortgage Banking separately to align with our current reportable segments, and all prior periods have been conformed to the current presentation with no impact to consolidated results. The following table presents the components of Mortgage banking activities, net, recorded in our consolidated statements of (loss) income for the three months ended March 31, 2026 and 2025.

***Table 5.1 – Mortgage Banking Activities***

| | Three Months Ended March 31, | |
|---|---|---|
| **(In Thousands)** | **2026** | **2025** |
| **Sequoia Mortgage Banking Activities, Net:** | | |
| Changes in fair value of: | | |
| Residential consumer loans, at fair value (1) | $ 20,528 | $ 30,373 |
| Trading securities (2) | 36,867 | (29,327) |
| Risk management derivatives (3) | (35,911) | 20,787 |
| Other income, net (4) | 567 | 85 |
| Total Sequoia mortgage banking activities, net | 22,051 | 21,918 |
| **Aspire Mortgage Banking Activities, Net:** | | |
| Changes in fair value of: | | |
| Residential consumer loans, at fair value (1) | (2,242) | 226 |
| Trading securities (2) | 328 | — |
| Risk management derivatives (3) | 4,228 | — |
| Other income, net (4) | 370 | 7 |
| Total Aspire mortgage banking activities, net | 2,684 | 233 |
| **CoreVest Mortgage Banking Activities, Net:** | | |
| Changes in fair value of: | | |
| Residential investor term loans, at fair value (1) | (1,666) | 6,930 |
| Residential investor bridge loans, at fair value | 364 | 1,032 |
| Risk management derivatives (3) | 301 | (2,945) |
| Other income, net (4) (5) | 8,230 | 5,885 |
| Total CoreVest mortgage banking activities, net | 7,229 | 10,902 |
| **Mortgage Banking Activities, Net** | $ 31,964 | $ 33,053 |

(1) Includes changes in fair value for associated loan purchase commitments for residential consumer loans and associated interest rate lock commitments for residential investor term loans.

(2) Represents fair value changes on trading securities that are being used as hedges to manage the mark-to-market risks associated with our Sequoia mortgage banking platform.

(3) Represents market valuation changes of derivatives that were used to manage risks associated with our mortgage banking platforms and other derivative financial instruments such as loan purchase commitments and interest rate locks.

(4) Amounts in this line item include other fee income from loan acquisitions, and provisions for repurchases, presented net.

(5) Amounts in this line item include other fee income from loan originations.

**Note 6. Fair Value of Financial Instruments**

For financial reporting purposes, we follow a fair value hierarchy established under GAAP that is used to determine the fair value of financial instruments. This hierarchy prioritizes relevant market inputs in order to determine an exit price at the measurement date, or the price at which an asset could be sold or a liability could be transferred in an orderly process that is not a forced liquidation or distressed sale. Level 1 inputs are observable inputs that reflect quoted prices for identical assets or liabilities in active markets. Level 2 inputs are observable inputs other than quoted prices for an asset or liability that are obtained through corroboration with observable market data. Level 3 inputs are unobservable inputs that are used when there is little, if any, relevant market activity for the asset or liability required to be measured at fair value.

In certain cases, inputs used to measure fair value fall into different levels of the fair value hierarchy. In such cases, the level at which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. Our assessment of the significance of a particular input requires judgment and considers factors specific to the asset or liability being measured.

***Determination of Fair Value***

Included in *Note 6* to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2025 is a more detailed description of our financial instruments measured at fair value and their significant inputs, as well as the general classification of such instruments pursuant to the Level 1, Level 2, and Level 3 valuation hierarchy. At March 31, 2026, our valuation policy and processes had not changed from those described in our Annual Report on Form 10-K for the year ended December 31, 2025.

The following table presents the assets and liabilities that are reported at fair value on our consolidated balance sheets on a recurring basis at March 31, 2026 and December 31, 2025, as well as the fair value hierarchy of the valuation inputs used to measure fair value.

***Table 6.1 – Assets and Liabilities Measured at Fair Value on a Recurring Basis***

| **March 31, 2026** | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| **(In Thousands)** | **Fair Value** | **Level 1** | **Level 2** | **Level 3** |
| **Assets** | | | | |
| Residential consumer loans | $ 21,299,884 | $ — | $ — | $ 21,299,884 |
| Residential investor loans | 3,295,715 | — | — | 3,295,715 |
| HEI | 341,101 | — | — | 341,101 |
| Real estate securities: | | | | |
| Trading | 182,137 | — | — | 182,137 |
| AFS | 294,250 | — | — | 294,250 |
| Servicing investments | 299,696 | — | — | 299,696 |
| Strategic investments | 10,123 | — | — | 10,123 |
| Derivative assets | 154,880 | 69,781 | 75,222 | 9,877 |
| **Total Assets** | $ 25,877,786 | $ 69,781 | $ 75,222 | $ 25,732,783 |
| | | | | |
| **Liabilities** | | | | |
| ABS issued | $ 20,417,812 | $ — | $ — | $ 20,417,812 |
| Derivative liabilities | 156,244 | 146,207 | — | 10,037 |
| Non-controlling interest | 95,492 | — | — | 95,492 |
| **Total Liabilities** | $ 20,669,548 | $ 146,207 | $ — | $ 20,523,341 |

**Note 6. Fair Value of Financial Instruments - (continued)**

| December 31, 2025<br>(In Thousands) | Fair Value | Fair Value Measurements Using<br>Level 1 | <br>Level 2 | <br>Level 3 |
|---|---|---|---|---|
| **Assets** | | | | |
| Residential consumer loans | $ 17,935,761 | $ — | $ — | $ 17,935,761 |
| Residential investor loans | 3,602,250 | — | — | 3,602,250 |
| HEI | 329,883 | — | — | 329,883 |
| Real estate securities: | | | | |
| Trading | 135,459 | — | — | 135,459 |
| AFS | 287,557 | — | — | 287,557 |
| Servicing investments | 302,230 | — | — | 302,230 |
| Strategic investments | 6,310 | — | — | 6,310 |
| Derivative assets | 105,597 | 56,458 | 31,119 | 18,020 |
| **Total Assets** | $ 22,705,047 | $ 56,458 | $ 31,119 | $ 22,617,470 |
| | | | | |
| **Liabilities** | | | | |
| ABS issued | $ 17,433,600 | $ — | $ — | $ 17,433,600 |
| Derivative liabilities | 28,150 | 26,973 | — | 1,177 |
| Non-controlling interest | 92,644 | — | — | 92,644 |
| **Total Liabilities** | $ 17,554,394 | $ 26,973 | $ — | $ 17,527,421 |

**Note 6. Fair Value of Financial Instruments - (continued)**

The following table presents additional information about Level 3 assets and liabilities measured at fair value on a recurring basis for the three months ended March 31, 2026.

***Table 6.2 – Changes in Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis***

| | Assets | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **(In Thousands)** | **Residential Consumer Loans** | **Residential Investor Loans** | **HEI** | **Real Estate Trading Securities** | **Real Estate AFS Securities** | **Servicing Investments** | **Strategic Investments** | **Derivatives, net [1]** |
| Beginning balance - December 31, 2025 | $ 17,935,761 | $ 3,602,250 | $ 329,883 | $ 135,459 | $ 287,557 | $ 302,230 | $ 6,310 | $ 16,843 |
| Acquisitions [3] | 6,724,282 | — | — | 44,606 | 10,185 | — | 527 | — |
| Originations [3] | — | 432,422 | 2,612 | — | — | — | — | — |
| Sales | (2,037,561) | (694,091) | — | (25,670) | — | — | — | — |
| Transfer to fair value option | — | — | — | — | — | — | 1,350 | — |
| Principal paydowns | (1,243,489) | (264,358) | (3,926) | (75) | (408) | (18,207) | — | — |
| Consolidation of securitized bridge loans [2] | — | 277,283 | — | — | — | — | — | — |
| Gains (losses) in net income, net | (78,098) | (32,427) | 12,495 | 27,817 | 924 | 13,980 | 1,936 | 1,997 |
| Unrealized gains in OCI, net | — | — | — | — | (4,008) | — | — | — |
| Other settlements, net [3] | (1,011) | (25,364) | 37 | — | — | 1,693 | — | (19,000) |
| **Ending balance - March 31, 2026** | $ 21,299,884 | $ 3,295,715 | $ 341,101 | $ 182,137 | $ 294,250 | $ 299,696 | $ 10,123 | $ (160) |
| Change in unrealized gains or (losses) for the period included in earnings for assets held at the end of the reporting period [4] | $ (81,515) | $ (35,868) | $ 12,724 | $ 27,871 | $ (4,189) | $ 14,586 | $ (150) | $ (196) |

| | Liabilities | |
|---|---|---|
| **(In Thousands)** | **ABS Issued** | **Non-controlling interest** |
| Beginning balance - December 31, 2025 | $ 17,433,600 | $ 92,645 |
| Issuance | 4,811,866 | — |
| Sales | (1,943) | — |
| Principal paydowns | (1,659,632) | — |
| (Gains) losses in net income (loss), net | (166,079) | 3,894 |
| Other settlements, net | — | (1,047) |
| **Ending balance - March 31, 2026** | $ 20,417,812 | $ 95,492 |
| Change in unrealized (gains) or losses for the period included in earnings for liabilities held at the end of the reporting period [4] | $ (217,033) | $ 3,894 |

(1) Derivatives, net, consists of loan purchase and interest rate lock commitments, and are presented on a net basis.

(2) For the three months ended March 31, 2026, we transferred $218 million of residential investor bridge loans to joint ventures sponsored by us in connection with our CAFL bridge securitizations. These joint ventures are consolidated under GAAP as we are the primary beneficiary. For additional information on our principles of consolidation, see *Note 16* of the Notes to Consolidated Financial Statements, included in Part I, Item 1 of the 2025 Quarterly Report on Form 10-Q.

(3) For residential consumer and residential investor loans, primarily represents the transfer of loans to REO; for HEI, represents the share of HEI disposition fees paid to our third party originators for our purchased HEI portfolio; for derivatives, represents the transfer of the fair value of loan purchase and interest rate lock commitments at the time loans are acquired to the basis of residential consumer and investor loans.

(4) All changes in unrealized gains or (losses) are included in net income, with the exception of Real Estate AFS Securities, which are included in comprehensive income.

**Note 6. Fair Value of Financial Instruments - (continued)**

The following table provides quantitative information about the significant unobservable inputs used in the valuation of our Level 3 assets and liabilities measured at fair value at March 31, 2026.

***Table 6.3 – Fair Value Methodology for Level 3 Financial Instruments***

| March 31, 2026 | | | Input Values | |
|---|---|---|---|---|
| (Dollars in Thousands, except Input Values) | Fair Value [1] | Unobservable Input | Range | Weighted Average [2] |
| **Assets** | | | | |
| Residential consumer loans [4] | $ 21,299,884 | Senior credit spread to TBA price [3] | $ 0.63 - $ 1.38 | $ 0.93 |
| | | Senior credit spread to Treasury Curve [3] | 140 - 200 bps | 146 bps |
| | | Subordinate credit spread to Treasury Curve [3] | 160 - 675 bps | 263 bps |
| | | Senior credit support [3] | 7 - 20 % | 8 % |
| | | IO discount rate [3] | 10 - 23 % | 21 % |
| | | Liability price | $ 4 - $ 105 | $ 99 |
| Residential investor loans: | | | | |
| Residential investor term loans [4] | 1,906,368 | Whole loan spread [3] | 250 - 250 bps | 250 bps |
| | | Liability price | $ 90 - $ 99 | $ 94 |
| Residential investor bridge loans [4] | 1,389,347 | Whole loan discount rate | 7 - 10 % | 7 % |
| | | Liability Price | $ 79 - $ 161 | $ 101 |
| | | Dollar price of loans | $ 4 - $ 101 | $ 83 |
| HEI | 341,101 | Discount rate | 8 - 8 % | 8 % |
| | | Prepayment rate (Annual CPR) | 8 - 15 % | 14 % |
| | | Home price appreciation (depreciation) | 4 - 4 % | 4 % |
| | | Liability price [4] | $ 157 - $ 157 | $ 157 |
| Real estate securities - trading and AFS securities | 476,387 | Discount rate | — - 22 % | 9 % |
| | | Prepayment rate (Annual CPR) | — - 29 % | 5 % |
| | | Default rate | — - 81 % | 32 % |
| | | Loss severity | — - 50 % | 12 % |
| Servicing investments | 299,696 | Prepayment rate (Annual CPR) | 1 - 100 % | 10 % |
| | | Prepayment yield (Annual CPY) | 50 - 100 % | 72 % |
| | | Discount rate | 8 - 10 % | 9 % |
| Strategic investments | 10,123 | Transaction Price | $ 200 - $ 3,813 | $ 1,125 |
| **Total Assets** | $ 25,722,906 | | | |
| **Liabilities** | | | | |
| ABS issued [4] | $ 20,417,812 | Discount rate | — - 46 % | 1 % |
| | | Prepayment rate (annual CPR) | 2 - 60 % | 14 % |
| | | Default rate | — - 12 % | — % |
| | | Loss severity | — - 50 % | 1 % |
| Non-controlling interests [6] | 95,492 | Discount rate | 12 - 15 % | 14 % |
| Derivatives, net [5] | 160 | Senior credit spread to TBA price [3] | $ 0.63 - $ 1.38 | $ 0.93 |
| | | Senior credit spread to Treasury Curve [3] | 140 - 200 bps | 148 bps |
| | | Subordinate credit spread to Treasury Curve [3] | 160 - 675 bps | 262 bps |
| | | Senior credit support [3] | 7 - 20 % | 9 % |
| | | IO discount rate [3] | 10 - 23 % | 20 % |
| | | Pull-through rate | 17 - 100 % | 70 % |
| **Total Liabilities** | $ 20,513,464 | | | |

**Note 6. Fair Value of Financial Instruments - (continued)**

Footnotes to Table 6.3

(1) The predominant valuation technique used to determine our Level 3 fair value assets and liabilities is based on the discounted cash flow model.

(2) The weighted average input value for all loan types is based on unpaid principal balance ("UPB"). The weighted average input value for all other assets and liabilities is based on relative fair value.

(3) Values represent pricing inputs used in a securitization pricing model. Credit spreads represent spreads to the applicable treasury curve unless specified otherwise.

(4) The fair value of the loans and HEI held by consolidated entities is based on the fair value of the ABS issued by these entities and the securities and other investments we own in those entities, which we determined were more readily observable in accordance with accounting guidance for Collateralized Financing Entities ("CFE"). At March 31, 2026, the fair value of securities we owned at the consolidated Sequoia and CAFL Term was $1.00 billion, and $316 million, respectively. At March 31, 2026, the fair value of our securities in the four CAFL Bridge loan securitizations accounted for under the CFE election and our HEI securitization entity was $66 million and $27 million, respectively.

(5) For the purpose of this presentation, derivative assets and liabilities, which include loan purchase commitments, are presented on a net basis.

(6) Of the total $124 million payable to non-controlling interests, $95 million is measured at fair value on a recurring basis.

The following table summarizes the estimated fair values of assets and liabilities that are not measured at fair value at March 31, 2026 and December 31, 2025.

*Table 6.4 – Carrying Values and Estimated Fair Values of Assets and Liabilities*

| (In Thousands) | Level in Fair Value Hierarchy | March 31, 2026 Carrying Value | March 31, 2026 Estimated Fair Value | December 31, 2025 Carrying Value | December 31, 2025 Estimated Fair Value |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Residential investor loans held-for-sale [1] | 3 | $ 14,830 | $ 14,830 | $ 14,414 | $ 14,414 |
| Cash and cash equivalents | 1 | 202,414 | 202,414 | 255,664 | 255,664 |
| Restricted cash | 1 | 92,285 | 92,285 | 193,446 | 193,446 |
| | | | | | |
| **Liabilities** | | | | | |
| Debt obligation facilities and other financing | 2 | $ 4,112,303 | $ 4,112,887 | $ 4,045,578 | $ 4,046,266 |
| ABS issued, net | 3 | — | — | 58,431 | 58,386 |
| Convertible notes, net | 1 | 293,699 | 301,256 | 292,993 | 299,045 |
| Trust preferred securities and subordinated notes, net | 3 | 138,917 | 83,700 | 138,906 | 80,910 |
| Senior Notes | 1 | 322,449 | 317,803 | 321,905 | 335,904 |
| Guarantee obligations [2] | 3 | 4,074 | 2,564 | 1,267 | 2,627 |

(1) Balance consists of residential investor loans reported at the lower of cost or market for which the carrying value approximates fair value at March 31, 2026.

(2) These liabilities are included in Accrued expenses and other liabilities on our consolidated balance sheets.

During the three months ended March 31, 2026, we elected the fair value option for $45 million of securities, $6.58 billion (principal balance) of residential consumer loans, and $438 million (principal balance) of residential investor loans.

***Nonrecurring Fair Values***

We measure the fair value of certain assets and liabilities on a nonrecurring basis when events or changes in circumstances indicate that the carrying value may be impaired. Adjustments to fair value generally result from the write-down of asset values due to impairment. REO in Other Assets and Liabilities are classified as Level 3 in the fair value hierarchy based upon fair value determinations using appraisals, broker price opinions, comparable properties or other indications of value, net of expected sales costs.

Refer to *Note 15* for further information on our REO.

**Note 7. Residential Consumer Loans**

We acquire residential consumer loans from third-party originators and may sell or securitize these loans and hold a retained portion for investment.

The following table summarizes the classifications and fair values of the securitized and unsecuritized residential consumer loans owned at March 31, 2026 and December 31, 2025.

***Table 7.1 – Classifications and Fair Values of Residential Consumer Loans***

**March 31, 2026**

| (In Thousands) | Unsecuritized Loans | Securitized Loans | Total |
|---|---|---|---|
| Held-for-sale at fair value | $ 3,063,421 | $ — | $ 3,063,421 |
| Held-for-investment at fair value | — | 18,236,463 | 18,236,463 |
| **Total Residential Consumer Loans** | $ 3,063,421 | $ 18,236,463 | $ 21,299,884 |

**December 31, 2025**

| (In Thousands) | Unsecuritized Loans | Securitized Loans | Total |
|---|---|---|---|
| Held-for-sale at fair value | $ 3,092,014 | $ — | $ 3,092,014 |
| Held-for-investment at fair value | — | 14,843,747 | 14,843,747 |
| **Total Residential Consumer Loans** | $ 3,092,014 | $ 14,843,747 | $ 17,935,761 |

At March 31, 2026, we owned mortgage servicing rights associated with $3.0 billion (principal balance) of residential consumer loans that were purchased from third-party originators. The value of these MSRs is included in the fair value of the associated loans on our consolidated balance sheets. We contract with licensed sub-servicers that perform servicing functions for these loans. Refer to *Note 16* for further information on our consolidated VIEs.

At March 31, 2026, we had $4.1 billion in commitments to acquire residential consumer loans. See *Note 13* for additional information on these commitments.

***Residential Consumer Loans Held-for-Sale***

The following table summarizes the characteristics of unsecuritized residential consumer loans held-for-sale at March 31, 2026 and December 31, 2025.

***Table 7.2 – Characteristics of Unsecuritized Residential Consumer Loans Held-for-Sale***

| (Dollars in Thousands) | March 31, 2026 | December 31, 2025 |
|---|---|---|
| UPB | $ 3,004,597 | $ 3,022,360 |
| Fair value of loans | 3,063,421 | 3,092,014 |
| Market value of loans pledged as collateral under short-term borrowing agreements | 3,050,559 | 3,066,067 |
| Weighted average coupon | 6.47 % | 6.59 % |

At March 31, 2026 and December 31, 2025, residential consumer loans held for sale that were 90 or more days delinquent had unpaid principal balances of $2 million and $721 thousand, respectively, and average loan balances of $230 thousand and $721 thousand, respectively. At both March 31, 2026 and December 31, 2025, there were no residential consumer loans held for sale in foreclosure.

During the three months ended March 31, 2026 and 2025, mortgage banking activities, net were $25 million and $22 million, respectively, and included changes in fair value of residential consumer loans held-for-sale, loan purchase commitments, and related risk management derivatives in our Sequoia Mortgage Banking and Aspire Mortgage Banking segment. See *Note 5* for additional information.

**Note 7. Residential Consumer Loans - (continued)**

The following table provides the activity of residential consumer loans held-for-sale ("HFS") during the three months ended March 31, 2026 and 2025.

***Table 7.3 – Activity of Residential Consumer Loans Held-for-Sale***

| | Three Months Ended March 31, | |
|---|---|---|
| **(In Thousands)** | **2026** | **2025** |
| Principal balance of loans acquired | $ 6,581,837 | $ 2,337,185 |
| Principal balance of loans sold | 1,570,549 | 420,513 |
| Principal balance of loans sold to unconsolidated securitization | 391,277 | — |
| Principal balance of loans transferred from HFS to HFI | 4,589,492 | 1,623,900 |

***Residential Consumer Loans Held-for-Investment at Fair Value***

We invest in residential subordinate securities issued by Securitized loans and consolidate the underlying residential consumer loans owned by these entities for financial reporting purposes in accordance with GAAP. The following tables summarize the characteristics of the securitized residential consumer loans held-for-investment at March 31, 2026 and December 31, 2025.

***Table 7.4 – Characteristics of Securitized Residential Consumer Loans Held-for-Investment***

| **(Dollars in Thousands)** | **March 31, 2026** | **December 31, 2025** |
|---|---|---|
| UPB | $ 18,439,925 | $ 15,048,820 |
| Average loan balance (UPB) | $ 885 | $ 915 |
| Fair value of loans [1] | $ 18,236,463 | $ 14,843,747 |
| Weighted average coupon | 5.77 % | 5.68 % |
| | | |
| Delinquency information | | |
| UPB of loans with 90+ day delinquencies [2] | $ 40,864 | $ 42,872 |
| Average 90+ days delinquent balance (UPB) | 801 | 766 |
| UPB of loans in foreclosure | 12,849 | 16,709 |
| Average foreclosure balance (UPB) | 714 | 726 |

(1) The fair value of the loans held by consolidated entities was based on the fair value of the ABS issued by these entities, including securities we own, which we determined were more readily observable, in accordance with the accounting guidance for CFEs, and are recorded in Investment fair value changes, net on our consolidated statements of (loss) income.
(2) For loans held at consolidated entities, the number and UPB of loans 90+ days delinquent includes loans in foreclosure.

The following table provides the activity of securitized jumbo residential consumer loans held-for-investment during the three months ended March 31, 2026 and 2025.

***Table 7.5 – Activity of Residential Consumer Loans Held-for-Investment***

| | Three Months Ended March 31, | |
|---|---|---|
| **(In Thousands)** | **2026** | **2025** |
| Principal value of loans transferred from HFS to HFI [1] | $ 4,589,492 | $ 1,623,900 |
| Net market valuation (losses) gains recorded | (132,163) | 140,278 |

(1) Represents the transfer of loans from held-for-sale to held-for-investment associated with jumbo securitization

## Note 8. Residential Investor Loans

We originate and invest in residential investor loans, including term loans and bridge loans. Residential investor term loans consist of mortgage loans secured by stabilized residential real estate, primarily 1–4 unit and multifamily properties, held as rental investments. Residential investor bridge loans are first-lien, interest-only loans secured by residential real estate that is vacant or partially occupied and undergoing renovation, rehabilitation, or construction.

The following table summarizes the classifications and fair values of the securitized and unsecuritized residential investor loans at March 31, 2026 and December 31, 2025.

***Table 8.1 – Classifications and Fair Values of Residential Investor Loans***

| March 31, 2026 | Residential Investor Term | | Residential Investor Bridge | | |
|---|---|---|---|---|---|
| (In Thousands) | Unsecuritized | Securitized | Unsecuritized | Securitized | Total |
| Held-for-sale at fair value [(1)] | $ 72,541 | $ — | $ 324,025 | $ — | $ 396,566 |
| Held-for-investment at fair value | — | 1,833,827 | — | 1,080,152 | 2,913,979 |
| **Total Residential Investor Loans** | $ 72,541 | $ 1,833,827 | $ 324,025 | $ 1,080,152 | $ 3,310,545 |

| December 31, 2025 | Residential Investor Term | | Residential Investor Bridge | | |
|---|---|---|---|---|---|
| (In Thousands) | Unsecuritized | Securitized | Unsecuritized | Securitized | Total |
| Held-for-sale at fair value [(1)] | $ 202,422 | $ — | $ 310,931 | $ — | $ 513,353 |
| Held-for-investment at fair value | — | 1,985,910 | — | 1,117,401 | 3,103,311 |
| **Total Residential Investor Loans** | $ 202,422 | $ 1,985,910 | $ 310,931 | $ 1,117,401 | $ 3,616,664 |

(1) At March 31, 2026 and December 31, 2025, Residential investor bridge loans held-for-sale include $15 million and $14 million, respectively, of loans recorded at the lower of cost or market value for which the carrying value approximates the fair value.

Nearly all of the outstanding residential investor term loans at March 31, 2026 were first-lien, fixed-rate loans with original maturities of 5 to 30 years.

The outstanding residential investor bridge loans held-for-investment at March 31, 2026 were first-lien, interest-only loans with original maturities of 8 to 36 months and were comprised of 46% one-month SOFR-indexed adjustable-rate loans, and 54% fixed-rate loans.

At March 31, 2026, we had $203 million in commitments to fund additional advances on existing residential investor bridge loans, of which $92 million related to loans currently in securitizations sponsored by one of our joint ventures. See *Note 19* for additional information on these commitments. During the three months ended March 31, 2026, we sold $208 million of residential investor bridge loans, net of $28 million of construction draws, to one of our joint ventures. See *Note 12* for additional information on these joint ventures.

During the three months ended March 31, 2026 and 2025, income from mortgage banking activities, net were $7 million and $11 million, respectively, and included changes in fair value of residential investor loans held-for-sale, interest rate lock commitments, and related risk management derivatives in our CoreVest Mortgage Banking segment. See *Note 5* for additional information. During the three months ended March 31, 2026 and 2025, Fee income, net was $3 million and $2 million, respectively, and primarily included portfolio administration fees earned on term and bridge loans.

**Note 8. Residential Investor Loans - (continued)**

The following table provides the activity of unsecuritized residential investor loans during the three months ended March 31, 2026 and 2025.

***Table 8.2 – Activity of Residential Investor Loans***

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| (In Thousands) | Unsecuritized Term Loans | Unsecuritized Bridge Loans | Unsecuritized Term Loans | Unsecuritized Bridge Loans |
| Principal balance of loans originated | $ 167,590 | $ 264,832 | $ 188,218 | $ 266,144 |
| Principal balance of loans acquired [1] | 5,578 | — | 6,800 | — |
| Principal balance of loans sold to third parties [2] | 296,798 | 397,293 | 182,415 | 156,493 |
| Transfer of loans between portfolios [3] | — | 74,747 | — | 50,619 |

(1) Represents loans repurchased pursuant to contractual obligations

(2) For the three months ended March 31, 2026 and 2025 the principal balance of loans sold to third parties is net of $28 million and $16 million, respectively, related to construction draws on residential investor bridge loans sold to our joint ventures. See *Note 12* for additional information on these joint ventures.

(3) Transfers of unsecuritized residential investor term loans between portfolios represents the transfer of loans from held-for-sale to held-for-investment associated with consolidated term securitizations. Transfers of unsecuritized bridge loans, represents the transfer of residential investor bridge loans from "Unsecuritized Bridge" to "Securitized Bridge" resulting from their inclusion in one of our bridge loan securitizations, which generally have replenishment features for a set period of time from the closing.

*Securitized Residential Investor Loans Held-for-Investment*

We invest in securities issued by securitizations sponsored by CoreVest and consolidate the underlying residential investor term loans and bridge loans owned by these entities. For loans held at our consolidated securitization entities, market value changes are based on the fair value of the associated ABS issued, including securities we own, pursuant to CFE guidelines, and are recorded through Investment fair value changes, net on our consolidated statements of (loss) income. See further discussion in *Note 16*.

***Residential Investor Loan Characteristics***

The following table provides the activity of securitized residential investor loans held-for-investment during the three months ended March 31, 2026 and 2025.

***Table 8.3 – Activity of Securitized Residential Investor Loans Held-for-Investment***

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| (In Thousands) | Securitized Term | Securitized Bridge | Securitized Term | Securitized Bridge |
| Net market valuation (losses) gains recorded | $ (14,540) | $ 5,183 | $ (69) | $ (3,694) |
| Fair value of loans transferred to HFI | — | 74,747 | — | 50,619 |

**Note 8. Residential Investor Loans - (continued)**

The following tables summarize the characteristics of securitized and unsecuritized residential investor loans at March 31, 2026 and December 31, 2025.

***Table 8.4 – Characteristics of Residential Investor Loans***

| **March 31, 2026**<br>**(Dollars in Thousands)** | **Unsecuritized Term** | **Securitized Term[1]** | **Unsecuritized Bridge** | **Securitized Bridge[1]** |
|---|---|---|---|---|
| Unpaid principal balance | $ 81,851 | $ 1,957,775 | $ 353,915 | $ 1,059,625 |
| Average UPB of loans | 780 | 3,040 | 2,283 | 1,417 |
| Fair value of loans | 72,541 | 1,833,827 | 324,025 | 1,080,152 |
| Weighted average coupon | 6.96 % | 5.26 % | 8.95 % | 8.90 % |
| Weighted average remaining loan term (years) | 15 | 4 | 1 | 1 |
| Market value of loans pledged as collateral under debt facilities | $ 4,569 | N/A | $ 268,143 | $ 1,080,152 |
| | | | | |
| Delinquency information | | | | |
| Unpaid principal balance of loans with 90+ day delinquencies [2] | $ 43,907 | $ 200,008 | $ 82,116 | $ 83,390 |
| Average UPB of 90+ days delinquent loans [2] | 10,977 | 3,922 | 9,124 | 1,604 |
| Fair value of 90+ day delinquencies [2] | 34,096 | N/A | 54,587 | 84,366 |
| Unpaid principal balance of loans in foreclosure [3] | — | 17,066 | 1,055 | 30,810 |
| Average UPB in foreclosure [3] | — | 2,133 | 1,055 | 856 |
| Fair value in foreclosure [3] | — | N/A | 648 | 31,496 |

| **December 31, 2025**<br>**(Dollars in Thousands)** | **Unsecuritized Term** | **Securitized Term[1]** | **Unsecuritized Bridge** | **Securitized Bridge[1]** |
|---|---|---|---|---|
| Unpaid principal balance | $ 205,584 | $ 2,083,080 | $ 339,394 | $ 1,099,350 |
| Average UPB of loans | 1,326 | 3,041 | 3,058 | 1,323 |
| Fair value of loans | 202,422 | 1,985,910 | 296,518 | 1,117,401 |
| Loans held at lower of cost or market | — | — | 14,414 | — |
| Weighted average coupon | 6.72 % | 5.26 % | 8.96 % | 8.95 % |
| Weighted average remaining loan term (years) | 13 | 4 | 1 | 1 |
| Market value of loans pledged as collateral under debt facilities | $ 109,652 | N/A | $ 255,255 | $ 1,117,401 |
| | | | | |
| Delinquency information | | | | |
| Unpaid principal balance of loans with 90+ day delinquencies [2] | $ 52,380 | $ 209,560 | $ 89,504 | $ 48,438 |
| Average UPB of 90+ days delinquent loans [2] | 6,547 | 4,459 | 5,967 | 1,425 |
| Fair value of 90+ day delinquencies [2] | 44,680 | N/A | 64,998 | 47,439 |
| Unpaid principal balance of loans in foreclosure [3] | — | 28,089 | 22,838 | 18,882 |
| Average UPB in foreclosure [3] | — | 2,554 | 22,838 | 1,259 |
| Fair value in foreclosure [3] | — | N/A | 16,672 | 18,538 |

(1) The fair value of the Term and Bridge loans held by consolidated entities were based on the fair value of the ABS issued by these entities including securities we own, which we determined were more readily observable, in accordance with the accounting guidance for CFEs.

(2) The number of loans 90+ days delinquent includes loans in foreclosure.

(3) May include loans that are less than 90 days delinquent and loans where foreclosure is being pursued as a disposition strategy.

**Note 8. Residential Investor Loans - (continued)**

The following table presents the UPB of residential investor loans recorded on our consolidated balance sheets at March 31, 2026 and December 31, 2025 by collateral / product type.

***Table 8.5 – Residential Investor Loans Collateral / Product Type***

| **March 31, 2026**<br>**(Dollars in Thousands)** | **Unsecuritized Term** | **Securitized Term** | **Unsecuritized Bridge** | **Securitized Bridge** |
|---|---|---|---|---|
| **Term** | | | | |
| Single-family rental | $ 6,217 | $ 1,512,087 | $ — | $ — |
| Multifamily (1) | 38,616 | 445,345 | — | — |
| Debt Service Coverage Ratio ("DSCR") | 37,018 | 343 | — | — |
| **Bridge** | | | | |
| Build for Rent ("BFR") (2) (3) | — | — | 101,105 | 502,676 |
| Residential Transition Loans (“RTL”) (4) | — | — | 76,274 | 442,920 |
| Multifamily (5) | — | — | 169,235 | 114,029 |
| Other | — | — | 7,301 | — |
| **Total Residential Investor Loans** | $ 81,851 | $ 1,957,775 | $ 353,915 | $ 1,059,625 |

| **December 31, 2025**<br>**(Dollars in Thousands)** | **Unsecuritized Term** | **Securitized Term** | **Unsecuritized Bridge** | **Securitized Bridge** |
|---|---|---|---|---|
| **Term** | | | | |
| Single-family rental | $ 93,605 | $ 1,620,277 | $ — | $ — |
| Multifamily (1) | 55,299 | 462,803 | — | — |
| Debt Service Coverage Ratio ("DSCR") | 56,680 | — | — | — |
| **Bridge** | | | | |
| Build for Rent ("BFR") (2) (3) | — | — | 109,064 | 500,497 |
| Residential Transition Loans (“RTL”) (4) | — | — | 42,107 | 486,352 |
| Multifamily (5) | — | — | 181,977 | 111,446 |
| Other | — | — | 6,246 | 1,055 |
| **Total Residential Investor Loans** | $ 205,584 | $ 2,083,080 | $ 339,394 | $ 1,099,350 |

(1) Includes loans underwritten primarily based on the property’s cash flows rather than the borrower’s personal income.

(2) Includes loans to finance acquisition and/or stabilization of existing housing stock for light to moderate renovation or to finance new construction of residential properties for rent.

(3) At March 31, 2026 and December 31, 2025, includes $154 thousand and $2 million of Single Asset Bridge ("SAB") loans in Unsecuritized Bridge and $45 million and $48 million of SAB loans in Securitized Bridge.

(4) Includes short-term loans secured primarily by 1–4 unit properties used to acquire, renovate, or reposition properties prior to stabilization or exit.

(5) Includes loans for predominantly light to moderate rehabilitation projects on multifamily properties.

**Note 8. Residential Investor Loans - (continued)**

*Loan Modifications*

For the three months ended March 31, 2026, consistent with our strategic alignment with our core business strategies, we adopted a more accelerated approach to resolving modified and legacy loans, advancing the wind-down of underperforming legacy assets to reduce long-term exposure to non-core assets. This includes loan and REO sales, structured exits, and, where necessary, foreclosure or liquidation processes on assets with limited workout potential.

We utilize a rigorous and consistently implemented fair value process when evaluating these loans, which involves management's review of updated appraisals, collateral performance, sales cost estimates, and independent market data when available. This approach, conducted in accordance with GAAP, is designed to ensure that valuations reflect current conditions and project-specific risks. The actual amounts ultimately recovered—whether through foreclosure, collateral sale, or alternative resolutions, such as discounted payoffs or loan sales—may differ significantly from our estimates and could materially affect future earnings. In exchange for a modification, we may receive a partial repayment of principal, capitalized interest for a portion of interest due, a capital infusion to replenish interest or capital improvement reserves, and/or termination of all or a portion of the remaining unfunded loan commitment.

For the three months ended March 31, 2026 and 2025, we modified or put into forbearance loans with a total aggregate UPB of $182 million and $206 million, respectively. This balance primarily included modifications involving extensions of loan maturities and/or covenant terms ("Simple Modifications") and modifications involving changes to the contractual interest rates (including, in certain cases, deferrals of interest) on loans, which may also include maturity extensions ("Complex Modifications"). An increase in maturity extensions would increase the expected time to repayment with a potential impact on fair values and credit losses. Certain loans may represent subsequent modifications of loans that had been previously modified in a prior reporting period. These further modifications may include adjustments to repayment rates, deferral of interest, floating-to-fixed conversions, maturity extensions (with forbearance or partial repayments), and changes to interest reserves or project completion milestones.

The following table presents a summary of loan modifications by loan terms type for the three months ended March 31, 2026.

***Table 8.6 – Summary of Modification by Loan Terms***

| March 31, 2026<br>(Dollars in Thousands) | Unpaid Principal Balance | Weighted Average Contractual Interest Rate | Weighted Average Deferred Interest Rate | Average Month Length of Maturity Extensions |
|---|---|---|---|---|
| Simple Modifications (Extensions) | $ 163,260 | N/A | N/A | 6 |
| Complex Modifications | 18,793 | 8.50 % | — % | 3 |
| **Total Loan Modifications [(1)]** | **$ 182,053** | | | |

(1) Included in this population are loans that had been previously modified in a prior period, with an aggregate unpaid principal balance of $15 million involving previous Simple Modifications and $19 million involving previous Complex Modifications.

For the three months ended March 31, 2025, loans with an aggregate UPB of $138 million were Simple Modifications and involved the extension of maturities and/or covenant terms. For the three months ended March 31, 2025, loans with an aggregate UPB of $68 million were Complex Modifications and primarily involved adjustments to contractual interest pay rates (including, in certain cases, deferrals of interest). Modifications on these loans maintained a contractual interest rate of approximately 5.00%, and there were no modifications involving interest deferrals. Of this population, we further modified loans that had been previously modified in a prior period, with an aggregate unpaid principal balance of $68 million.

While we continue to actively engage with certain borrowers to address the impacts of rising interest rates, elongated project timelines, or other issues, further increases in delinquencies or modifications within our residential investor bridge loan portfolio could ultimately result in further decreases in net interest income and the fair value of our bridge loans held for investment, and further instances of borrower/sponsor financial stress could lead to incremental realized credit losses. An increase in maturity extensions in the residential investor bridge portfolio would increase the expected time to repayment with a potential impact on fair values and credit losses. However, given the overall short duration nature of our bridge loans, a certain level of maturity extensions are a routine asset management outcome for these loans, irrespective of market conditions.

**Note 8. Residential Investor Loans - (continued)**

*Non-accrual Loans*

Non-accrual loans include both securitized and unsecuritized residential investor loans. At March 31, 2026, residential investor loans with an aggregate UPB of $280 million and an aggregate fair value of $242 million were on non-accrual status. Of this balance, loans with $189 million aggregate UPB were on full non-accrual of the contractual coupon interest and loans with $91 million aggregate UPB were on non-accrual of deferred interest. As of March 31, 2026, the majority of these loans were included within our Legacy Investments portfolio and had an aggregate UPB of $245 million and an aggregate fair value of $207 million. Of this balance, loans with $153 million aggregate UPB were on full non-accrual of the contractual coupon interest and loans with $91 million aggregate UPB were on non-accrual of deferred interest.

At December 31, 2025, residential investor loans with an aggregate UPB of $291 million and an aggregate fair value of $255 million were on non-accrual status. Of this balance, loans with $202 million aggregate UPB were on full non-accrual of the contractual coupon interest and loans with $90 million aggregate UPB were on non-accrual of deferred interest. As of December 31, 2025, the majority of these loans were included within our Legacy Investments portfolio and had an aggregate UPB of $243 million and an aggregate fair value of $208 million. Of this balance, loans with $153 million aggregate UPB were on full non-accrual of the contractual coupon interest and loans with $90 million aggregate UPB were on non-accrual of deferred interest.

**Note 9. Real Estate Securities**

We invest in real estate securities that we create and retain from our unconsolidated jumbo loan securitizations or acquire from third parties. The following table presents the fair values of our real estate securities by type at March 31, 2026 and December 31, 2025.

***Table 9.1 – Fair Value of Real Estate Securities by Type***

| (In Thousands) | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Trading | $ 182,137 | $ 135,459 |
| AFS | 294,250 | 287,557 |
| **Total Real Estate Securities** | $ 476,387 | $ 423,016 |

Our real estate securities include mortgage-backed securities, which are classified in accordance with their general position within a securitization structure based on their rights to cash flows. Senior securities are those interests in a securitization that generally have the first right to cash flows and are last in line to absorb losses. Mezzanine securities are interests that are generally subordinate to senior securities in their rights to receive cash flows, and have subordinate securities below them that are first to absorb losses. Subordinate securities are all interests below mezzanine. Exclusive of our re-performing loan securities, nearly all of our residential securities are supported by collateral that was designated as prime at the time of issuance.

Refer to *Note 3* to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2025 for further information and our accounting policies for our trading and AFS real estate securities.

***Trading Securities***

We elected the fair value option for certain securities and classify them as trading securities. Our trading securities generally include both residential and multifamily mortgage-backed interest-only and subordinate securities. Refer to *Note 6* for further information on the inputs into the fair valuation of our trading securities.

***AFS Securities***

During 2025, as part of the sale of a $484 million in fair value of legacy unsecuritized bridge loans and REO assets to a partnership structure created to accelerate the wind-down of the Legacy Investments portfolio (the "Legacy Trust"). In connection with this transaction, we retained a $182 million subordinate beneficial interest in the Legacy Trust. The beneficial interest represents our right to residual cash flows from the Legacy Trust after payment of senior financing and preferred interests and is recorded as an AFS security, measured at fair value and classified as a Level 3 asset.

The retained beneficial interest is valued using discounted expected cash flows that incorporate assumptions for expected recoveries on the underlying collateral, including the timing and amount of principal repayments, credit losses, and market discount rates. We did not record a separate allowance for credit losses at initial recognition because the fair value measurement already

**Note 9. Real Estate Securities - (continued)**

reflected expected credit losses; however, we re-evaluate expected credit losses at each reporting period and record an allowance if updated expectations indicate one is required. During the three months ended March 31, 2026, we recognized a credit loss allowance expense of $3 million related to this retained beneficial interest.

Subsequent changes in fair value of the retained beneficial interest are recognized in Other comprehensive income (loss). Interest income is recognized using the cost recovery method, under which cash receipts are first applied to the recovery of the recorded investment balance, with income recognized only after the investment is fully recovered. See *Note 8* to the Consolidated Financial Statements of our 2025 Annual Report on Form 10-K for further discussion on this transaction.

The following tables present the detail of our AFS securities, by position and collateral type, at March 31, 2026 and December 31, 2025.

***Table 9.2 – Carrying Value and Fair Value of AFS Securities by Type***

| | March 31, 2026 | December 31, 2025 |
|---|---|---|
| **(In Thousands)** | **Subordinate** | **Subordinate** |
| Amortized cost | $ 271,082 | $ 260,381 |
| Gross unrealized gains | 30,721 | 31,334 |
| Gross unrealized losses | (3,194) | (3,092) |
| Allowance for credit losses | (4,359) | (1,066) |
| **Total Carrying Value** | $ 294,250 | $ 287,557 |

| | March 31, 2026 | December 31, 2025 |
|---|---|---|
| **(In Thousands)** | **Subordinate** | **Subordinate** |
| Other third-party securities | $ 192,610 | $ 185,737 |
| Sequoia securities | 101,640 | 101,820 |
| **Total Fair Value** | $ 294,250 | $ 287,557 |

Gains and losses from the sale of AFS securities are recorded as Realized gains, net, in our consolidated statements of (loss) income. During the three months ended March 31, 2026, we had no sales of AFS securities. During the three months ended March 31, 2025, we recorded a gain of $1 million on our sales of AFS securities. During the three months ended March 31, 2026 and 2025, we had $4 million of net unrealized losses and $3 million of net unrealized gains on AFS securities, respectively.

At March 31, 2026, we had $190 million AFS securities with contractual maturities less than five years, $4 million AFS securities with contractual maturities greater than five years but less than ten years, and the remainder of our AFS securities had contractual maturities greater than ten years.

***AFS Securities with Unrealized Losses***

The following table presents the total carrying value (fair value) and unrealized losses of residential AFS securities that were in a gross unrealized loss position at March 31, 2026 and December 31, 2025.

***Table 9.3 – AFS Securities in Gross Unrealized Loss Position by Holding Periods***

| | Less Than 12 Consecutive Months | | 12 Consecutive Months or Longer | |
|---|---|---|---|---|
| **(In Thousands)** | **Fair Value** | **Unrealized Losses** | **Fair Value** | **Unrealized Losses** |
| March 31, 2026 | $ — | $ — | $ 21,969 | $ (3,194) |
| December 31, 2025 | — | — | 22,079 | (3,092) |

**Note 9. Real Estate Securities - (continued)**

At March 31, 2026, after giving effect to purchases, sales, and extinguishment due to credit losses, our consolidated balance sheet included 63 AFS securities, of which 11 were in an unrealized loss position and 11 were in a continuous unrealized loss position for 12 consecutive months or longer. At December 31, 2025, our consolidated balance sheet included 63 AFS securities, of which 11 were in an unrealized loss position and 11 were in a continuous unrealized loss position for 12 consecutive months or longer.

***Allowance for Credit Losses***

Credit impairments on our AFS securities are recorded in earnings using an allowance for credit losses, with the allowance limited to the amount by which the security's fair value is less than its amortized cost basis. We evaluate all securities in an unrealized loss position to determine if the impairment is credit-related (resulting in an allowance for credit losses recorded in earnings) or non-credit-related (resulting in an unrealized loss through other comprehensive income). The allowance for credit losses is calculated using a discounted cash flow approach and is measured as the difference between the beneficial interest's amortized cost and the estimate of cash flows expected to be collected, discounted at the effective interest rate used to accrete the beneficial interest. No allowance is recorded for beneficial interests in an unrealized gain position.

The following table details the activity related to the allowance for credit losses for AFS securities for the three months ended March 31, 2026 and 2025.

***Table 9.4 – Rollforward of Allowance for Credit Losses***

| | Three Months Ended March 31, | |
|---|---|---|
| **(In Thousands)** | **2026** | **2025** |
| Beginning balance allowance for credit losses | $ 1,066 | $ 921 |
| Additional increase (decreases) to the allowance for credit losses on securities that had an allowance recorded in a previous period | 3,293 | (67) |
| **Ending balance of allowance for credit losses** | $ 4,359 | $ 854 |

**Note 10. Home Equity Investments (HEI)**

In 2025, we began reporting our third-party originated HEI portfolio within the Legacy Investments segment, consistent with how the CODM evaluates financial performance and allocates resources across our reportable segments. We historically invested in HEI contracts acquired from third party originators, however, we have ceased allocating capital to new investments in third-party originated HEI contracts and, between 2023 and early in the second quarter of 2026, we originated HEI directly through our own Aspire HEI platform. Each HEI provides the owner of such HEI the right to purchase a percentage ownership interest in an associated residential property, and the homeowner's obligations under the HEI are secured by a lien (primarily second liens) on the property created by recording a security instrument (e.g., deed of trust) with respect to the property. Our investments in HEI expose us to both home price appreciation and depreciation of the associated property.

At March 31, 2026, within our Legacy Investments segment, we co-sponsored one HEI securitization entity, which is consolidated in accordance with GAAP, and for which we have elected to account under the CFE election. As such, market valuation changes for the securitized HEI are based on the fair value of the associated ABS issued by the entity, including the interest we own, and are reported in HEI income, net on our Consolidated statements of (loss) income.

The following table presents our HEI at March 31, 2026 and December 31, 2025.

***Table 10.1 – Home Equity Investments***

| **(In Thousands)** | **March 31, 2026** | **December 31, 2025** |
|---|---|---|
| Unsecuritized HEI | $ 145,069 | $ 138,762 |
| HEI held at consolidated HEI securitization entity | 196,032 | 191,121 |
| **Total Home Equity Investments at fair value** [(1)] | $ 341,101 | $ 329,883 |

(1) At March 31, 2026 and December 31, 2025, balance includes $322 million and $314 million, respectively, of third-party originated HEI included in our Legacy Investments segment, including amounts held through our consolidated HEI securitization entity.

**Note 10. Home Equity Investments (HEI) - (continued)**

The following table details our HEI activity during the three months ended March 31, 2026 and 2025. Changes in the value of HEI during the three months ended March 31, 2026 are driven by incremental fair value adjustments.

***Table 10.2 – Activity of HEI***

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| (In Thousands) | Unsecuritized HEI | Securitized HEI | Unsecuritized HEI | Securitized HEI |
| Fair value of HEI purchased and originated | $ 2,612 | $ — | $ 1,834 | $ — |
| Net market valuation gains recorded | 5,109 | 7,386 | 7,136 | 11,912 |

The following table provides the components of HEI income, net for the three months ended March 31, 2026 and 2025.

***Table 10.3 – Components of HEI Income, net***

| | Three Months Ended March 31, | |
|---|---|---|
| (In Thousands) | 2026 | 2025 |
| Net market valuation gains recorded on Unsecuritized HEI | $ 5,109 | $ 7,136 |
| Net market valuation gains recorded on Securitized HEI | 7,386 | 11,912 |
| Net market valuation (losses) recorded on ABS Issued from HEI securitizations [(1)] | (2,207) | (3,769) |
| Net market valuation (losses) recorded on non-controlling interests in HEI securitizations | (3,286) | (5,208) |
| Other | 107 | $ 95 |
| **Total HEI income, net** | $ 7,109 | $ 10,166 |

(1) Amount includes interest expense associated with ABS issued, which totaled $2 million and $3 million, for both the three months ended March 31, 2026 and 2025, respectively.

**Note 11. Servicing Investments**

Servicing Investments at March 31, 2026 and December 31, 2025 are summarized in the following table.

***Table 11.1 – Components of Servicing Investments***

| (In Thousands) | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Servicer advance investments, at fair value | $ 219,923 | $ 231,227 |
| Excess MSRs, at fair value | 39,991 | 37,971 |
| MSRs, at fair value | 39,782 | 33,032 |
| **Total Servicing Investments** | $ 299,696 | $ 302,230 |

We account for our Servicer advance investments, Excess MSRs and MSRs at fair value. Refer to *Note 6* for further information on the inputs into the fair valuation of these components. Refer to *Note 11* to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information regarding these components and related transactions.

For the three months ended March 31, 2026 and 2025, income from Servicing investments included Other interest income of $6 million and $7 million, respectively, Investment fair value changes, net of positive $9 million and negative $3 million, respectively, and Servicing income, net of $8 million and $3 million, respectively.

**Note 12. Strategic Investments**

Strategic Investments at March 31, 2026 and December 31, 2025 are summarized in the following table.

***Table 12.1 – Components of Strategic Investments***

| (In Thousands) | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Strategic investments, equity method | $ 60,013 | $ 59,337 |
| Strategic investments, measurement alternative | 26,527 | 26,235 |
| Strategic investments, at fair value | 10,123 | 6,310 |
| Other investments | 10,065 | 10,076 |
| **Total Strategic Investments** | $ 106,728 | $ 101,958 |

Income from Strategic Investments for the three months ended March 31, 2026 and 2025 are summarized in the following tables.

***Table 12.2 – Components of Income From Strategic Investments, net***

| | Three Months Ended March 31, | |
|---|---|---|
| (In Thousands) | 2026 | 2025 |
| Other (loss) income, net (1) | $ 457 | $ 1,179 |
| Investment fair value changes, net (2) | 3,578 | (80) |
| **Total Strategic Investments Income, Net** | $ 4,035 | $ 1,099 |

(1) Represents net equity method earnings from our Strategic investments that are accounted for under the equity method.

(2) Includes Investment fair value changes related to our Strategic investments that are accounted for under the measurement alternative for equity securities without readily determinable fair values. Under this approach, investments are carried at cost, adjusted for observable price changes in orderly transactions for identical or similar investments of the same issuer, or for impairment.

For the three months ended March 31, 2026, includes Investment fair value gains of $2 million and investment fair value losses of $0.01 million, under the measurement alternative. For the three months ended March 31, 2025, includes Investment fair value gains of $0.5 million and investment fair value losses of $0.4 million, under the measurement alternative.

Depending on the terms of the strategic investments, we may account for these investments under the fair value option, as non-marketable equity securities under the equity method of accounting or the measurement alternative for equity securities without readily determinable fair values. Refer to *Note 6* for further information on the inputs into the fair valuation of these components. Refer to *Note 12* to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information regarding these components and related transactions.

*Joint Ventures*

We have established joint ventures with institutional investment managers to invest in residential investor bridge loans and term loans originated by our CoreVest subsidiary. As of March 31, 2026 and December 31, 2025, the carrying values of our investments in these joint ventures were $25 million and $24 million, respectively. We account for these investments under the equity method of accounting, reflecting our approximately 25% non-controlling interests and our ability to exert significant influence over the operations of the joint ventures. The carrying values are adjusted quarterly to reflect our share of earnings or losses, dividends received, or returns of capital. For the three months ended March 31, 2026 and 2025, we recognized net equity method loss of $0.1 million and earnings of $0.1 million, respectively, for one joint venture, and net equity method earnings of $0.5 million and $2 million, respectively, for the other. These amounts are recorded within “Other income, net” in our Consolidated Statements of Income.

In connection with one of these joint ventures, we also hold a note receivable from the joint venture. At March 31, 2026, the outstanding balance on this note receivable was $10 million and is included in Other Investments in *Table 12.1* above. For the three months ended March 31, 2026, we recognized $0.2 million in interest on this note.

See *Note 8* for further information on residential bridge loans sold to these joint ventures.

**Note 13. Derivative Financial Instruments**

To manage, to varying degrees, risks associated with certain assets and liabilities on our consolidated balance sheets, we may enter into derivative contracts. We account for our derivative contracts, including loan purchase commitments ("LPCs") and interest rate lock commitments ("IRLCs") qualifying as derivatives under GAAP, at fair value. As discussed in our Annual Report on Form 10-K for the year ended December 31, 2025, we consider counterparty risk as part of our fair value assessments of all derivative financial instruments at each quarter-end. At March 31, 2026, we assessed this risk as remote and did not record an associated specific valuation adjustment. At March 31, 2026, we were in compliance with our derivative counterparty ISDA agreements.

The following table presents the fair value and notional amount of our derivatives at March 31, 2026 and December 31, 2025.

***Table 13.1 – Fair Value and Notional Amount of Derivatives***

| | March 31, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| **(In Thousands)** | **Fair Value** | **Notional Amount** | **Fair Value** | **Notional Amount** |
| **Assets - Risk Management Derivatives** | | | | |
| TBAs | $ 56,893 | $ 9,775,000 | $ 38,686 | $ 14,690,000 |
| Interest rate futures | 12,888 | 1,270,400 | 17,772 | 2,431,300 |
| Swaptions | 75,222 | 11,525,000 | 31,119 | 9,850,000 |
| **Assets - Other Derivatives** | | | | |
| LPCs and IRLCs | 9,877 | 2,021,119 | 18,020 | 3,497,565 |
| **Total Assets** (1) | $ 154,880 | $ 24,591,519 | $ 105,597 | $ 30,468,865 |
| **Liabilities - Risk Management Derivatives** | | | | |
| TBAs | $ (144,127) | $ 15,655,000 | $ (22,252) | $ 8,750,000 |
| Interest rate futures | (2,080) | 495,000 | (4,721) | 1,969,000 |
| **Liabilities - Other Derivatives** | | | | |
| LPCs | (10,037) | 2,142,921 | (1,177) | 369,734 |
| **Total Liabilities** (1) | $ (156,244) | $ 18,292,921 | $ (28,150) | $ 11,088,734 |
| **Total Derivatives, Net** (1) | $ (1,364) | $ 42,884,440 | $ 77,447 | $ 41,557,599 |

(1) For the purpose of this presentation, derivative assets and liabilities are presented on a gross and a net basis.

The following table presents the market valuation gains and losses on our derivatives for the three months ended March 31, 2026 and 2025.

***Table 13.2 – Market Valuation Gains (Losses) on Derivatives, net***

| **(In Thousands)** | **Three Months Ended March 31, 2026** | **Three Months Ended March 31, 2025** |
|---|---|---|
| Risk Management Derivatives (1) | $ (69,656) | $ 38,473 |
| LPCs and IRLCs (2) | 1,906 | 31,254 |
| **Market Valuation Gains (Losses) on Derivatives, net** | $ (67,750) | $ 69,727 |

(1) Market valuation (losses) gains on risk management derivatives used to manage the mark-to-market risks associated with our Mortgage Banking platforms are recorded in Mortgage banking activities, net and market valuation gains (losses) on all other derivatives are recorded in Investment fair value changes, net on our consolidated statements of income.

(2) Market valuation gains on LPCs and IRLCs are recorded in Mortgage banking activities, net on our consolidated statements of income.

**Note 13. Derivative Financial Instruments - (continued)**

***Derivatives Designated as Cash Flow Hedges***

For interest rate agreements previously designated as cash flow hedges, our total unrealized loss reported in Accumulated other comprehensive loss was $59 million and $60 million at March 31, 2026 and December 31, 2025, respectively. We are amortizing this loss into interest expense over the remaining term of our trust preferred securities and subordinated notes. For both of the three months ended March 31, 2026 and 2025, we reclassified $1 million, of realized net losses from Accumulated other comprehensive loss into Interest expense. As of March 31, 2026, we expect to amortize $4 million of realized losses related to terminated cash flow hedges into interest expense over the next twelve months.

**Note 14. Offsetting Assets and Liabilities**

Certain of our derivatives and debt obligations are subject to master netting arrangements or similar agreements. Under GAAP, in certain circumstances we may elect to present certain financial assets, liabilities and related collateral subject to master netting arrangements in a net position on our balance sheets. However, we do not elect to report any of these financial assets or liabilities on a net basis, and instead present them on a gross basis on our consolidated balance sheets. Refer to *Note 3* to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information regarding our master netting arrangements.

The following table presents financial assets and liabilities that are subject to master netting arrangements or similar agreements categorized by financial instrument, together with the corresponding financial instruments and corresponding collateral received or pledged at March 31, 2026 and December 31, 2025.

***Table 14.1 – Offsetting of Financial Assets, Liabilities, and Collateral***

| | | | | Gross Amounts Not Offset in Consolidated Balance Sheet [1] | | |
|---|---|---|---|---|---|---|
| **March 31, 2026 (In Thousands)** | **Gross Amounts of Recognized Assets (Liabilities)** | **Gross Amounts Offset in Consolidated Balance Sheet** | **Net Amounts of Assets (Liabilities) Presented in Consolidated Balance Sheet** | **Financial Instruments** | **Cash Collateral (Received) Pledged** | **Net Amount** |
| **Assets [2]** | | | | | | |
| Swaptions | $ 75,222 | $ — | $ 75,222 | $ — | $ (44,984) | $ 30,238 |
| TBAs | 56,893 | — | 56,893 | (56,893) | — | — |
| Interest rate futures | 12,888 | — | 12,888 | (2,080) | — | 10,808 |
| **Total Assets** | $ 145,003 | $ — | $ 145,003 | $ (58,973) | $ (44,984) | $ 41,046 |
| | | | | | | |
| **Liabilities [2]** | | | | | | |
| TBAs | $ (144,127) | $ — | $ (144,127) | $ 56,893 | $ 62,778 | $ (24,456) |
| Interest rate futures | (2,080) | — | (2,080) | 2,080 | — | — |
| Loan warehouse debt | (1,045,739) | — | (1,045,739) | 1,045,739 | — | — |
| **Total Liabilities** | $ (1,191,946) | $ — | $ (1,191,946) | $ 1,104,712 | $ 62,778 | $ (24,456) |

**Note 14. Offsetting Assets and Liabilities - (continued)**

| December 31, 2025 (In Thousands) | Gross Amounts of Recognized Assets (Liabilities) | Gross Amounts Offset in Consolidated Balance Sheet | Net Amounts of Assets (Liabilities) Presented in Consolidated Balance Sheet | Gross Amounts Not Offset in Consolidated Balance Sheet [1] | | Net Amount |
|---|---|---|---|---|---|---|
| | | | | Financial Instruments | Cash Collateral (Received) Pledged | |
| **Assets** [2] | | | | | | |
| Interest rate agreements | $ 31,119 | $ — | $ 31,119 | $ — | $ (21,546) | $ 9,573 |
| TBAs | 38,686 | — | 38,686 | (19,346) | (19,340) | — |
| Futures | 17,772 | — | 17,772 | (4,660) | — | 13,112 |
| **Total Assets** | $ 87,577 | $ — | $ 87,577 | $ (24,006) | $ (40,886) | $ 22,685 |
| **Liabilities** [2] | | | | | | |
| TBAs | $ (22,252) | $ — | $ (22,252) | $ 19,346 | $ — | $ (2,906) |
| Futures | (4,721) | — | (4,721) | 4,660 | 61 | — |
| Loan warehouse facilities | (1,506,143) | — | (1,506,143) | 1,506,143 | — | — |
| **Total Liabilities** | $ (1,533,116) | $ — | $ (1,533,116) | $ 1,530,149 | $ 61 | $ (2,906) |

(1) Amounts presented in these columns are limited in total to the net amount of assets or liabilities presented in the prior column by instrument. In certain cases, we have pledged excess cash collateral or financial assets to a counterparty (which, in certain circumstances, may be a clearinghouse) that exceed the financial liabilities subject to a master netting arrangement or similar agreement. Additionally, in certain cases, counterparties may have pledged excess cash collateral to us that exceeds our corresponding financial assets. In each case, these excess amounts are excluded from the table; they are separately reported in our consolidated balance sheets as assets or liabilities, respectively.

(2) Interest rate agreements, TBAs and futures are components of derivative instruments on our consolidated balance sheets. Loan warehouse debt, which is secured by certain Residential consumer and Residential investor loans, is a component of Debt obligations on our consolidated balance sheets.

## Note 15. Other Assets and Liabilities

***Other Assets***

Other assets at March 31, 2026 and December 31, 2025 are summarized in the following table.

***Table 15.1 – Components of Other Assets***

| (In Thousands) | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Accrued interest receivable | $ 143,415 | $ 130,955 |
| Real estate owned | 121,167 | 124,270 |
| Margin receivable | 81,807 | 33,439 |
| Investment receivable | 46,185 | 38,082 |
| Receivable from joint venture partners [(1)] | 31,304 | 9,298 |
| Deferred tax asset | 12,352 | 12,352 |
| Intangible assets | 8,613 | 10,623 |
| Fixed assets and leasehold improvements [(2)] | 8,253 | 6,354 |
| Operating lease right-of-use assets | 8,059 | 8,902 |
| Other [(3)] | 47,349 | 39,247 |
| **Total Other Assets** | $ 508,504 | $ 413,522 |

(1) Receivables from joint venture partners primarily represent amounts due from joint ventures related to construction draw advances initially funded by the Company, operating expenses paid on behalf of joint ventures, and distributions receivable under contractual waterfall arrangements associated with securitized loans.

(2) Fixed assets and leasehold improvements had a basis of $23 million and accumulated depreciation of $15 million at March 31, 2026.

(3) Consists primarily of receivables related to escrow advances, prepaid assets and other receivables.

*Real Estate Owned (REO)*

The Company holds REO at the lower of the current carrying amount or fair value less estimated selling costs. The following table summarizes the activity and carrying values of REO assets held during the three months ended March 31, 2026.

***Table 15.2 – REO Activity by Loan Type***

| | Three Months Ended March 31, 2026 | | | |
|---|---|---|---|---|
| (In Thousands) | Bridge Loans[(1)] | Sequoia Securitized Loans | Securitized Term Loans | Total |
| Balance at beginning of period | $ 102,383 | $ 1,984 | $ 19,903 | $ 124,270 |
| Transfers to REO | 15,908 | 1,013 | 9,456 | 26,377 |
| Liquidations [(2)] | (21,649) | — | — | (21,649) |
| Changes in fair value, net | (7,831) | — | — | (7,831) |
| **Balance at End of Period** | $ 88,811 | $ 2,997 | $ 29,359 | $ 121,167 |

(1) Includes REO that were previously either legacy unsecuritized bridge loans or bridge loans within consolidated securitization entities.

(2) For the three months ended March 31, 2026, REO market valuation adjustments and liquidations resulted in net valuation losses of $8 million, which were recorded in Investment fair value changes, net on our consolidated statements of (loss) income.

**Note 15. Other Assets and Liabilities - (continued)**

***Accrued Expenses and Other Liabilities***

Accrued expenses and other liabilities at March 31, 2026 and December 31, 2025 are summarized in the following table.

***Table 15.3 – Components of Accrued Expenses and Other Liabilities***

| (In Thousands) | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Payable to non-controlling interests | $ 123,560 | $ 120,177 |
| Accrued interest payable | 102,385 | 81,851 |
| Margin payable | 45,360 | 47,264 |
| Accrued compensation | 19,477 | 39,964 |
| Accrued operating expenses | 14,982 | 11,617 |
| Current accounts payable | 14,422 | 9,698 |
| Unsettled trades | 14,304 | 32,046 |
| Operating lease liabilities | 9,713 | 10,666 |
| Repurchase reserve | 5,650 | 7,466 |
| Guarantee obligations | 4,074 | 1,267 |
| Preferred stock dividends payable | 1,478 | 1,478 |
| Bridge loan holdbacks [1] | 503 | 2,253 |
| Accrued taxes payable | — | 1,437 |
| Other | 61,754 | 31,751 |
| **Total Accrued Expenses and Other Liabilities** | $ 417,662 | $ 398,935 |

(1) Bridge loan holdbacks represent amounts withheld from the initial loan proceeds and are subsequently disbursed to the borrower to be used in the construction, rehabilitation or purchase of the mortgaged property or to fund interest on the bridge loan.

*Legal and Repurchase Reserves*

See *Note 19* for additional information on legal and repurchase reserves.

*Payable to Non-Controlling Interests*

Redwood and a third-party co-investor, through two partnership entities consolidated by Redwood, purchased servicer advances and excess MSRs related to a portfolio of residential mortgage loans serviced by the co-investor (see *Note 11* and *Note 16* for additional information on the partnership entities and associated investments). We account for the co-investor’s interests in the entities as liabilities, and at March 31, 2026, the carrying value of their interests was $28 million, representing their current economic interest in the entities. Earnings from the partnership entities are allocated to the co-investor on a proportional basis and during the three months ended March 31, 2026, we allocated $3 million of income to the co-investor, respectively, recorded in Other expenses on our consolidated statements of income.

In 2023, Redwood and a third-party co-sponsored the transfer and securitization of HEI through a HEI securitization entity. Other third-party investors contributed HEI into this securitization through Redwood and retained subordinate beneficial interests issued by the securitization entity alongside Redwood. See *Note 10* for a further discussion of the HEI securitization. We account for the co-investor's interest in the HEI securitization entity as a liability, and at March 31, 2026, the carrying value of their interest was $47 million, representing the fair value of their economic interest in the beneficial interest issued by the HEI entity. During the three months ended March 31, 2026, the investors' share of earnings from their retained interests (for which positive earnings are reflected as an expense to Redwood in our consolidated statements of (loss) income) were negative $3 million and were recorded through HEI Income, net on our consolidated statements of (loss) income.

In 2025, we completed two CAFL bridge loan securitizations sponsored by one of our joint ventures. These transactions involved the transfer and securitization of bridge loans contributed from the joint venture and from Redwood through two bridge securitization entities. Each of the joint venture and Redwood retained its proportionate share of subordinate beneficial interests issued by the securitization entities. We account for the joint venture's interest in the bridge loan securitization entities as a liability and at March 31, 2026, the carrying value of their interests were $32 million, representing the fair value of their economic interest in the beneficial

**Note 15. Other Assets and Liabilities - (continued)**

interest issued. During the three months ended March 31, 2026, the joint venture's share of recognized income was $1 million related to its retained interests in these two securitizations, resulting in a $1 million net expense to Redwood in our consolidated statements of (loss) income.

In 2024, we completed a CAFL securitization of bridge loans sponsored by one of our joint ventures. This transaction involved the transfer and securitization of bridge loans contributed from the joint venture and from Redwood through one bridge securitization entity. Each of the joint venture and Redwood retained its proportionate share of subordinate beneficial interests issued by the securitization entity. We account for the joint venture's interest in the bridge loan securitization entity as a liability and at March 31, 2026, the carrying value of their interest was $16 million, representing the fair value of their economic interest in the beneficial interest issued. During the three months ended March 31, 2026, the joint venture recognized an expense of $1 million related to its retained interest in this securitization, resulting in a $1 million net income to Redwood in our consolidated statements of (loss) income.

## Note 16. Principles of Consolidation

In the normal course of business, we enter into certain types of transactions with entities that are considered to be VIEs. The Company's primary involvement with VIEs has been related to its securitization transactions in which it transfers assets to securitization vehicles. We primarily securitize our acquired and originated loans, which provides a source of funding and has enabled us to transfer a certain portion of economic risk on loans or related debt securities to third parties. The entity that has a controlling financial interest in a VIE is referred to as the primary beneficiary and is required to consolidate the VIE. See *Note 2* for further information on our accounting policies regarding our Principles of consolidation.

The GAAP principles we apply require us to reassess our requirement to consolidate VIEs each quarter and therefore our determination may change based upon new facts and circumstances pertaining to each VIE. This could result in a material impact to our consolidated financial statements during subsequent reporting periods.

***Analysis of Consolidated VIEs***

For certain of our consolidated VIEs, we have elected to account for the assets and liabilities of these entities pursuant to the measurement alternative available to CFEs. A CFE is a VIE that holds financial assets and issues beneficial interests in those assets, and these beneficial interests have contractual recourse only to the related assets of the CFE. GAAP allows companies to elect to measure both the financial assets and financial liabilities of a CFE using the more observable of the fair value of the financial assets or fair value of the financial liabilities. Most of our VIEs are accounted for under the CFE election, under which net equity generally represents the fair value of our retained interests and related accrued interest receivable.

In addition to our consolidated VIEs for which we made the CFE election, we consolidate certain VIEs for which we did not make the CFE election and elected to account for the ABS issued by these entities at fair value or amortized cost. These include three Sequoia re-securitizations for which the ABS are accounted at fair value at March 31, 2026. See *Note 17* for additional information regarding the Sequoia re-securitizations.

**Note 16. Principles of Consolidation - (continued)**

The following table presents a summary of the assets and liabilities of our consolidated VIEs at March 31, 2026 and December 31, 2025.

***Table 16.1 – Assets and Liabilities of Consolidated VIEs***

| March 31, 2026<br>(Dollars in Thousands) | Sequoia(1) | CAFL(2) | Servicing Investment(2) | HEI | Total Consolidated VIEs |
|---|---|---|---|---|---|
| Residential consumer loans, held-for-investment | $ 18,236,463 | $ — | $ — | $ — | $ 18,236,463 |
| Residential investor loans, held-for-investment | — | 2,913,979 | — | — | 2,913,979 |
| Real estate securities | 174,251 | — | — | — | 174,251 |
| Home equity investments | — | — | — | 196,032 | 196,032 |
| Other investments | — | — | 256,639 | — | 256,639 |
| Cash and cash equivalents | — | — | 25,635 | — | 25,635 |
| Restricted cash | 435 | 48,719 | — | 5,404 | 54,558 |
| Accrued interest receivable | 87,201 | 26,189 | 1,888 | — | 115,278 |
| Other assets | 3,809 | 97,757 | 1,700 | 314 | 103,580 |
| **Total Assets** | $ 18,502,159 | $ 3,086,644 | $ 285,862 | $ 201,750 | $ 22,076,415 |
| Debt Obligations | $ — | $ — | $ 134,972 | $ — | $ 134,972 |
| Accrued interest payable | 68,806 | 9,839 | 275 | — | 78,920 |
| Accrued expenses and other liabilities | 103 | 66,813 | 38,338 | 47,471 | 152,725 |
| Asset-backed securities issued | 17,680,048 | 2,610,837 | — | 126,927 | 20,417,812 |
| **Total Liabilities** | $ 17,748,957 | $ 2,687,489 | $ 173,585 | $ 174,398 | $ 20,784,429 |
| | | | | | |
| **Value of our investments in VIEs (1)** | $ 734,731 | $ 397,658 | $ 112,277 | $ 27,352 | $ 1,272,018 |
| **Number of VIEs** | 80 | 21 | 3 | 1 | 105 |

| December 31, 2025<br>(Dollars in Thousands) | Sequoia(1) | CAFL(2) | Servicing Investment(2) | HEI | Total Consolidated VIEs |
|---|---|---|---|---|---|
| Residential consumer loans, held-for-investment | $ 14,843,746 | $ — | $ — | $ — | $ 14,843,746 |
| Residential investor loans, held-for-investment | — | 3,103,311 | — | — | 3,103,311 |
| Real estate securities | 165,092 | — | — | — | 165,092 |
| Home equity investments | — | — | — | 191,121 | 191,121 |
| Other investments | — | — | 265,771 | — | 265,771 |
| Cash and cash equivalents | — | — | 32,408 | — | 32,408 |
| Restricted cash | 266 | 161,780 | — | 5,696 | 167,742 |
| Accrued interest receivable | 73,864 | 23,330 | 1,924 | — | 99,118 |
| Other assets | 1,984 | 54,667 | 1,833 | 301 | 58,785 |
| **Total Assets** | $ 15,084,952 | $ 3,343,088 | $ 301,936 | $ 197,118 | $ 18,927,094 |
| Debt Obligations | $ — | $ — | $ 152,293 | $ — | $ 152,293 |
| Accrued interest payable | 57,525 | 7,210 | 261 | — | 64,996 |
| Accrued expenses and other liabilities | 121 | 57,301 | 39,248 | 44,185 | 140,855 |
| Asset-backed securities issued | 14,540,397 | 2,824,159 | — | 127,475 | 17,492,031 |
| **Total Liabilities** | $ 14,598,043 | $ 2,888,670 | $ 191,802 | $ 171,660 | $ 17,850,175 |
| | | | | | |
| **Value of our investments in VIEs (1)** | $ 470,496 | $ 452,736 | $ 110,134 | $ 25,458 | $ 1,058,824 |
| **Number of VIEs** | 72 | 23 | 3 | 1 | 99 |

**Note 16. Principles of Consolidation - (continued)**

Footnotes to table 16.1

(1) The ABS from three Sequoia re-securitizations at March 31, 2026 and December 31, 2025, respectively, are not accounted for under the CFE election and are accounted for at fair value (included within the Sequoia column at March 31, 2026 and December 31, 2025). At March 31, 2026 and December 31, 2025, the fair value of our interests in consolidated Sequoia securitizations accounted for under the CFE election was $1.00 billion and $722 million, respectively, with the difference in value of our investments in these VIEs reflected in the March 31, 2026 and December 31, 2025 table above representing $174 million and $165 million, respectively, of consolidated Sequoia securities in the Sequoia re-securitizations and $444 million and $417 million, respectively, of ABS issued at fair value.

(2) At both March 31, 2026 and December 31, 2025, our Servicing Investment VIEs are not accounted for under the CFE election and their associated ABS issued are accounted for at amortized historical cost. At December 31, 2025, two CAFL bridge loan securitization VIEs (included within the CAFL column) were not accounted for under the CFE election and their associated ABS issued were accounted for at amortized historical cost. These two CAFL bridge loan securitization VIEs were called during the three months ended March 31, 2026 and the associated ABS were paid off.

The fair value of our interests in the CAFL term loan securitizations accounted for under the CFE election was $316 million and $330 million at March 31, 2026 and December 31, 2025, respectively. At March 31, 2026 and December 31, 2025, the fair value of our interest in the CAFL bridge loan securitizations accounted for under the CFE election was $66 million and $50 million, respectively, with the difference from the tables above generally representing ABS issued and carried at amortized historical cost and accrued interest on our economic interests.

***Unconsolidated VIEs with Continuing Involvement***

During the three months ended March 31, 2026, we completed Aspire's inaugural securitization through our SPIRE securitization program, pursuant to which $391 million in UPB of non-QM loans were transferred to a securitization trust that is not consolidated. Additionally, in prior years, we have transferred residential consumer loans to certain Sequoia securitization entities sponsored by us that are still outstanding as of March 31, 2026.

We determined we were not the primary beneficiary of these VIEs as we lacked the power to direct the activities that will have the most significant economic impact on the entities. For certain of the transferred loans where we held the servicing rights prior to the transfer and continued to hold the servicing rights following the transfer, we recorded mortgage servicing rights ("MSRs") on our consolidated balance sheets and classified those MSRs as Level 3 assets. We also retained IO, senior and subordinate securities in these transfers that we classified as Level 3 assets. Our continuing involvement in these securitizations is limited to customary servicing obligations associated with retaining servicing rights (which are performed by third-party sub-servicers) and the receipt of interest income associated with the securities we retained.

The following table presents additional information at March 31, 2026 and December 31, 2025, related to unconsolidated VIEs sponsored by Redwood and accounted for as sales.

***Table 16.2 – Unconsolidated VIEs Sponsored by Redwood***

| (In Thousands) | March 31, 2026 | December 31, 2025 |
|---|---|---|
| On-balance sheet assets, at fair value: | | |
| Subordinate securities, classified as AFS | $ 290,276 | $ 283,768 |
| Interest-only, senior and subordinate securities, classified as trading | 36,262 | 33,743 |
| Mortgage servicing rights | 12,803 | 12,029 |
| Strategic investments, equity method | 10,123 | 10,263 |
| Funding commitment (1) | 14,815 | 35,000 |
| Maximum loss exposure (2) | $ 364,279 | $ 374,803 |

(1) Represents Redwood's agreement, entered into during 2025, to provide up to $35 million of capital support to a trust holding legacy unsecuritized bridge loans. As of March 31, 2026 we funded $20 million at closing, with up to $15 million remaining subject to specified portfolio triggers. Refer to *Notes 8*, *9*, and *19* for additional information.

(2) Maximum loss exposure from our involvement with unconsolidated VIEs pertains to the carrying value of our securities and MSRs retained from these VIEs and represents estimated losses that would be incurred under severe, hypothetical circumstances, such as if the value of our interests and any associated collateral declines to zero. This does not include, for example, any potential exposure to representation and warranty claims associated with our initial transfer of loans into a securitization.

**Note 17. Asset-Backed Securities Issued**

ABS issued represents securities issued by non-recourse securitization entities we consolidate under GAAP. The majority of our ABS issued is carried at fair value under the CFE election (see *Note 16* for additional detail), with the remainder carried at amortized cost. The carrying values of ABS issued by our consolidated securitization entities at March 31, 2026 and December 31, 2025, along with other selected information, are summarized in the following table.

***Table 17.1 – Asset-Backed Securities Issued***

| | March 31, 2026 | | | | |
|---|---|---|---|---|---|
| **(Dollars in Thousands)** | **Unpaid Principal Balance** | **Carrying Value** | **Weighted Average Interest Rate** | **Stated Maturities** | **Number of Series** |
| Sequoia [1] | $ 18,299,729 | $ 17,680,048 | 2.50% to 8.18% | 2028-2063 | 80 |
| CAFL [2] | 2,655,443 | 2,610,837 | 3.49% to 9.39% | 2027-2040 | 21 |
| HEI | 126,548 | 126,927 | 6.72% | 2053 | 1 |
| **ABS Issued at Fair Value** | $ 21,081,720 | $ 20,417,812 | | | |
| **Total ABS Issued** | $ 21,081,720 | $ 20,417,812 | | | |

| | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| **(Dollars in Thousands)** | **Unpaid Principal Balance** | **Carrying Value** | **Weighted Average Interest Rate** | **Stated Maturities** | **Number of Series** |
| Sequoia | $ 14,990,305 | $ 14,540,397 | 2.50% to 8.38% | 2028-2063 | 72 |
| CAFL [2] | 2,787,832 | 2,765,728 | 3.04% to 7.89% | 2027-2040 | 21 |
| HEI | 127,172 | 127,475 | 6.72% | 2053 | 1 |
| **ABS Issued at Fair Value** | $ 17,905,309 | $ 17,433,600 | | | |
| CAFL ABS at Amortized Cost | 58,431 | 58,431 | 4.31% to 6.9% | 2029 | 2 |
| **Total ABS Issued** | $ 17,963,740 | $ 17,492,031 | | | |

(1) At March 31, 2026, includes three Sequoia re-securitization trusts for which the weighted average interest rate ranges from 6.10% to 8.18%.

(2) At March 31, 2026 and December 31, 2025, includes ABS issued from two consolidated VIE entities formed in connection with the financing of residential investor bridge loans sponsored by one of our joint ventures.

Generally, unless specified below, the actual maturity of each class of ABS issued is primarily determined by the rate of principal prepayments on the assets of the issuing entity. Each series is also subject to redemption prior to the stated maturity according to the terms of the respective governing documents of each ABS issuing entity. As a result, the actual maturity of ABS issued may occur earlier than the stated maturity. At March 31, 2026, the majority of the ABS issued and outstanding had contractual maturities beyond five years. See *Note 16* for detail on the carrying value components of the collateral for ABS issued and outstanding.

During the three months ended March 31, 2026, we transferred subordinate securities we owned in certain consolidated and unconsolidated Sequoia securitization trusts to a Sequoia re-securitization trust that we sponsored, which we determined was a VIE. At issuance, we sold $136 million (principal balance) of ABS issued to third parties and elected to account for the ABS issued under the fair value option, with changes in the fair value of the ABS reported through our consolidated statements of (loss) income in Investment fair value changes, net. The stated weighted average coupon of the ABS issued was approximately 6.1% at issuance, increasing by 3.0% after the payment date occurring in February 2028. The ABS issued are subject to an optional redemption beginning in February 2028 and have a final stated maturity in September 2056. At issuance, we retained 100% of the remaining beneficial ownership interest in the trust through ownership of a subordinate security issued by the trust. We maintained certain discretionary rights associated with the ownership of this investment that we determined reflected a controlling financial interest in the trust and as such, we consolidated the trust. At March 31, 2026, the collateral for the Sequoia re-securitization trust included $21 million of consolidated Sequoia and third-party securities as well as $172 million of Sequoia securities that we have retained from certain consolidated Sequoia securitization entities. The Sequoia re-securitization ABS are included in "Sequoia" in *Table 17.1* above at March 31, 2026. See *Note 16* for further information regarding our Principles of consolidation on this trust.

**Note 17. Asset-Backed Securities Issued - (continued)**

During the three months ended March 31, 2026, we completed a $225 million CAFL bridge loan securitization backed by a mix of performing, re-performing and non-performing residential investor loans and REO. In the same period, we exercised our optional redemption rights on three consolidated CAFL bridge securitization entities and paid off the associated underlying ABS. The securitization collateral included approximately $223 million of loans, $38 million of REO and $16 million of restricted cash, primarily sourced from our called CAFL securitizations issued between 2021 and 2023 and $66 million of loans and $19 million of REO from our Legacy Investments portfolio. We consolidated the issuing entity, which we determined to be a VIE for which we are the primary beneficiary, and elected CFE accounting treatment, carrying the ABS issued at fair value with changes recorded through Investment fair value changes, net on our consolidated statements of (loss) income. At issuance, the ABS had a principal balance and net carrying value of $225 million and a weighted average stated coupon of 7.1%. The ABS are subject to optional redemption beginning in March 2027, with interest rate step-ups of 3.0% beginning in April 2029 and 4.0% beginning in April 2030 through final maturity in March 2036.

For additional information related to certain of our asset-backed securities issued that are presented above, see *Note 17* to the Consolidated Financial Statements of our 2025 Annual Report on Form 10-K.

**Note 18. Debt Obligations, Net**

We enter into loan warehouse facilities, repurchase agreements ("repo"), recourse subordinate securities financings, and other forms of collateralized (and generally uncommitted) borrowings with several banks and major investment banking firms. We use debt to finance the acquisition and/or origination of residential consumer and residential investor mortgage loans (including those we acquire or originate in anticipation of sale or securitization), and to finance investments in securities and other investments. Additionally, we use corporate debt obligations to fund other aspects of our business and operations, including the repurchase of shares of our capital stock.

At March 31, 2026, we had outstanding agreements on debt obligations with several counterparties and we were in compliance with all of the related covenants. Refer to *Note 3* to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information regarding these investments. Refer to *Note 18* to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information regarding our debt obligations.

The following tables summarize our debt obligations at March 31, 2026 and December 31, 2025.

***Table 18.1 – Debt Obligations, Net***

| | March 31, 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| (Dollars in Thousands) | Number of Facilities or Issuances | Principal Amount | Carrying Value [1] | Facility Capacity | Weighted Average Interest Rate [2] | Final Stated Maturity | Carrying Value of Collateral |
| **Short-Term Facilities:** | | | | | | | |
| Residential consumer loan warehouse facilities | 9 | $ 2,854,214 | $ 2,854,215 | $ 4,700,000 | 5.43 % | 4/2026-3/2027 | $ 3,050,559 |
| Residential investor loan warehouse facilities | 4 | 104,760 | 104,443 | 725,000 | 6.90 % | 5/2026-12/2026 | 119,870 |
| Real estate securities repurchase facilities | 2 | 71,623 | 71,623 | — | 4.70 % | 4/2026-6/2026 | 91,096 |
| Real estate securities repurchase facilities IO | 1 | 32,838 | 32,838 | 75,000 | 6.68 % | 6/2026 | 45,106 |
| Residential MSR warehouse facility | 1 | 114,457 | 114,457 | 125,000 | 6.92 % | 1/2027 | 263,286 |
| HEI warehouse facility | 1 | 43,073 | 43,073 | 150,000 | 8.17 % | 12/2026 | 99,351 |
| Servicer advance financing | 1 | 135,239 | 134,972 | 200,000 | 5.63 % | 12/2026 | 219,923 |
| **Recourse Subordinate Securities Financing:** | | | | | | | |
| CAFL securities [3] | 1 | 262,091 | 261,506 | (a) | 7.54 % | 9/2028 | 315,654 |
| Sequoia and other third-party securities [3] | 1 | 85,270 | 85,270 | (a) | 7.27 % | 6/2027 | 104,367 |
| **Long-Term Facilities:** | | | | | | | |
| Residential investor loan warehouse facilities | 2 | 75,793 | 75,778 | 1,300,000 | 6.88 % | 8/2027 | 152,842 |
| Secured revolving financing facility [4] | 1 | 330,883 | 325,769 | 400,000 | 8.67 % | 3/2027 | 563,436 |
| **Corporate Debt:** | | | | | | | |
| Promissory notes [3] [5] | 3 | 8,359 | 8,359 | (a) | 6.91 % | N/A | (b) |
| 7.75% convertible senior notes [3] | 1 | 297,170 | 293,699 | (a) | 7.75 % | 6/2027 | (b) |
| Trust preferred securities and subordinated notes | 2 | 139,500 | 138,917 | (a) | 6.18 % | 1/2037, 7/2037 | (b) |
| 9.125% Senior Notes [3] | 1 | 59,127 | 57,561 | (a) | 9.13 % | 3/2029 | (b) |
| 9.0% Senior Notes [3] | 1 | 84,015 | 81,782 | (a) | 9.00 % | 9/2029 | (b) |
| 9.125% Senior Notes [3] | 1 | 89,232 | 86,429 | (a) | 9.13 % | 3/2030 | (b) |
| 9.5% Senior Notes [3] | 1 | 100,000 | 96,677 | (a) | 9.50 % | 12/2030 | (b) |
| **Total Debt Obligations** | | **$ 4,887,644** | **$ 4,867,368** | | | | **$ 5,025,490** |

**Note 18. Debt Obligations, Net - (continued)**

| | December 31, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| **(Dollars in Thousands)** | **Number of Facilities or Issuances** | **Principal Amount** | **Carrying Value [1]** | **Facility Capacity** | **Weighted Average Interest Rate [2]** | **Final Stated Maturity** | **Carrying Value of Collateral** |
| **Short-Term Facilities:** | | | | | | | |
| Residential consumer loan warehouse facilities | 8 | $ 2,798,725 | $ 2,798,725 | $ 3,554,960 | 5.52 % | 1/2026-8/2026 | $ 3,066,067 |
| Residential investor loan warehouse facilities | 4 | 157,999 | 157,571 | 825,000 | 7.22 % | 5/2026-12/2026 | 159,074 |
| Real estate securities repurchase facilities | 4 | 30,867 | 30,867 | — | 5.20 % | 1/2026-3/2026 | 40,568 |
| Real estate securities repurchase facilities IO | 1 | — | — | 75,000 | 6.87 % | 6/2026 | — |
| Residential MSR warehouse facility | 1 | 95,862 | 95,862 | 125,000 | 7.12 % | 1/2026 | 194,228 |
| HEI warehouse facility | 1 | 43,496 | 43,496 | 150,000 | 8.29 % | 12/2026 | 98,308 |
| Servicer advance financing | 1 | 152,660 | 152,293 | 200,000 | 5.68 % | 12/2026 | 223,677 |
| | | | | | | | |
| **Recourse Subordinate Securities Financings:** | | | | | | | |
| CAFL securities [3] | 1 | 263,063 | 262,374 | (a) | 7.54 % | 9/2028 | 330,212 |
| Sequoia and other third-party securities [3] | 1 | 87,477 | 87,477 | (a) | 7.27 % | 6/2027 | 109,686 |
| | | | | | | | |
| **Long Term Facilities:** | | | | | | | |
| Residential investor loan warehouse facilities | 2 | 131,138 | 131,069 | 1,300,000 | 6.68 % | 1/2027-8/2027 | 205,833 |
| Secured revolving financing facility [4] | 1 | 282,883 | 276,580 | 400,000 | 8.66 % | 3/2027 | 451,262 |
| | | | | | | | |
| **Corporate Debt:** | | | | | | | |
| Promissory notes [3] [5] | 3 | 9,264 | 9,264 | (a) | 7.01 % | N/A | (b) |
| 7.75% convertible senior notes [3] | 1 | 297,170 | 292,993 | (a) | 7.75 % | 6/2027 | (b) |
| Trust preferred securities and subordinated notes | 2 | 139,500 | 138,906 | (a) | 6.35 % | 1/2037, 7/2037 | (b) |
| 9.125% Senior Notes [3] | 1 | 59,127 | 57,444 | (a) | 9.13 % | 3/2029 | (b) |
| 9.0% Senior Notes [3] | 1 | 84,015 | 81,647 | (a) | 9.00 % | 9/2029 | (b) |
| 9.125% Senior Notes [3] | 1 | 89,232 | 86,270 | (a) | 9.13 % | 3/2030 | (b) |
| 9.5% Senior Notes [3] | 1 | 100,000 | 96,544 | (a) | 9.50 % | 12/2030 | (b) |
| **Total Debt Obligations** | | **$ 4,822,478** | **$ 4,799,382** | | | | **$ 4,878,915** |

(1) Carrying value presented net of total deferred issuance costs of $20 million and $23 million at March 31, 2026 and December 31, 2025, respectively.
(2) Variable rate borrowings are based on 1- or 3-month SOFR, plus an applicable spread.
(3) Borrowing has a fixed interest rate at period end.
(4) Facility may be extended for one year at our option.
(5) Promissory notes payable on demand to lender with 90-day notice.

(a) Outstanding principal balance represents facility capacity at period end.
(b) Unsecured corporate debt; no related collateral at period end.

**Note 18. Debt Obligations, Net - (continued)**

***Corporate Debt***

Convertible Notes

In June 2022, we issued $215 million principal amount of 7.75% convertible senior notes due 2027. These notes require semi-annual interest payments at a fixed annual coupon rate of 7.75% until maturity or conversion, which will be no later than June 15, 2027. After deducting the underwriting discount and offering costs, we received $208 million of net proceeds. In October 2024, we issued an additional $40 million of these 7.75% senior notes due 2027 in a private offering, resulting in net proceeds of approximately $39 million. In August 2025, we issued an additional $50 million of these 7.75% senior notes due 2027, resulting in net proceeds of approximately $49 million. We may elect to settle conversions either entirely in cash or in a combination of cash and shares of common stock. Upon conversion, the conversion value will be paid in cash up to at least the principal amount of the notes being converted. At March 31, 2026, the conversion rate of the notes was 95.6823 common shares per $1,000 principal amount of notes (equivalent to a conversion price of $10.45 per common share). During both the three months ended March 31, 2026 and 2025 we repurchased zero par value of these notes.

**Note 19. Commitments and Contingencies**

***Lease Commitments***

At March 31, 2026, we were obligated under eight non-cancelable operating leases with expiration dates through 2031 for $11 million of cumulative lease payments. For both the three months ended March 31, 2026 and 2025, our operating lease expense was $1 million.

At March 31, 2026, our operating lease liabilities were $10 million, which were a component of Accrued expenses and other liabilities, and our operating lease right-of-use assets were $8 million, which were a component of Other assets.

***Commitment to Fund Residential Investor Bridge Loans***

As of March 31, 2026, we had commitments to fund up to $203 million of additional advances on existing residential investor bridge loans, of which $92 million related to loans currently in securitizations co-sponsored by one of our joint ventures. These commitments are generally subject to loan agreements with covenants regarding the financial performance of the borrower and other terms regarding advances that must be met before we fund the commitment. At March 31, 2026, we carried a $0.02 million contingent liability related to these commitments to fund construction advances. During the three months ended March 31, 2026, we recorded net market valuation income of $0.1 million related to this liability through Investment of fair value changes, net and on our consolidated statements of income.

During 2025, in connection with the sale of legacy unsecuritized bridge loans to the Legacy Trust, we entered into an agreement to provide up to $35 million of capital support to the Legacy Trust’s portfolio loan-to-value ratios exceed specified thresholds. As of March 31, 2026, we funded $20 million, with $15 million in remaining funding commitments if certain triggers are met. The arrangement was determined to have an initial fair value of zero and had a fair value of $0.2 million at March 31, 2026. The fair value will be re-evaluated each reporting period. See *Notes 8 and 9* for further discussion on this transaction.

***Commitment to Fund Joint Ventures***

In the first quarter of 2024, we entered into a joint venture with an institutional investment manager pursuant to which we will offer to sell certain residential investor bridge and term loans we originate into joint venture entities that meet specified criteria at contractually pre-established prices. We have committed approximately $140 million of equity capital to be allocated to the joint venture entities and joint venture co-investments to be held in Redwood's investment portfolio. At March 31, 2026, we had contributed $50 million of capital to the joint venture.

In the second quarter of 2023, we entered into a joint venture with another institutional investment manager to invest in residential investor bridge loans originated by our CoreVest subsidiary. We have a commitment to contribute up to approximately $19 million to the joint venture to fund the joint venture's purchase of residential investor bridge loans, under the updated terms of the joint venture. At March 31, 2026, we had contributed $6 million of capital to the joint venture.

For additional information related to our commitments and contingencies, see *Note 19* to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025.

**Note 19. Commitments and Contingencies - (continued)**

***Loss Contingencies — Litigation, Claims and Demands***

There is no significant update regarding the litigation matters described in *Note 19* within the financial statements included in Redwood's Annual Report on Form 10-K for the year ended December 31, 2025 under the heading "*Loss Contingencies - Litigation, Claims and Demands*."

For additional information related to our commitments and contingencies, see *Note 19* to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025.

**Note 20. Equity**

The following table provides a summary of changes to accumulated other comprehensive income (loss) by component for three months ended March 31, 2026 and 2025.

***Table 20.1 – Changes in Accumulated Other Comprehensive Income (Loss) by Component***

| | Three Months Ended March 31, 2026 | | | Three Months Ended March 31, 2025 | | |
|---|---|---|---|---|---|---|
| (In Thousands) | AFS Securities | Interest Rate Agreements Accounted for as Cash Flow Hedges | Total | AFS Securities | Interest Rate Agreements Accounted for as Cash Flow Hedges | Total |
| Balance at beginning of period | $ 28,242 | $ (59,911) | $ (31,669) | $ 20,967 | $ (64,038) | $ (43,071) |
| Other comprehensive income before reclassifications | (4,189) | — | (4,189) | 3,422 | — | 3,422 |
| Amounts reclassified from other accumulated comprehensive income (loss) | 3,473 | 1,018 | 4,491 | (709) | 1,018 | 309 |
| Net current-period other comprehensive (loss) income | (716) | 1,018 | 302 | 2,713 | 1,018 | 3,731 |
| **Balance at End of Period** | $ 27,526 | $ (58,893) | $ (31,367) | $ 23,680 | $ (63,020) | $ (39,340) |

The following table provide a summary of reclassifications out of Accumulated other comprehensive income (loss) for the three months ended March 31, 2026 and 2025.

***Table 20.2 – Reclassifications Out of Accumulated Other Comprehensive Income (Loss)***

| | | Amount Reclassified From Accumulated Other Comprehensive Loss | |
|---|---|---|---|
| | | Three Months Ended March 31, | |
| (In Thousands) | Affected Line Item in the Income Statement | 2026 | 2025 |
| **Net Realized (Gain) Loss on AFS Securities** | | | |
| Net increase (decrease) in allowance for credit losses on AFS securities | Investment fair value changes, net | $ 3,473 | $ (67) |
| (Gain) on sale of AFS securities | Realized gains, net | — | (642) |
| | | $ 3,473 | $ (709) |
| **Net Realized Loss on Interest Rate Agreements Designated as Cash Flow Hedges** | | | |
| Amortization of deferred loss | Interest expense | $ 1,018 | $ 1,018 |
| | | $ 1,018 | $ 1,018 |

**Note 20. Equity - (continued)**

***Issuance of Common Stock***

We have an established program to sell common stock from time to time in at-the-market ("ATM") offerings. During the three months ended March 31, 2026 and 2025, we did not issue any common shares through ATM offerings. At March 31, 2026, the remaining share issuance capacity under this program was approximately $175 million.

***Issuance of Preferred Stock***

In January 2023, we issued 2.8 million shares of 10.00% Series A Fixed-Rate Reset Cumulative Redeemable Preferred Stock ("Series A Preferred Stock") for gross proceeds of $70 million and net proceeds of approximately $67 million, after deducting the underwriting discount and other estimated expenses. The Series A Preferred Stock pays quarterly cumulative cash dividends through January 15, 2028 at a fixed annual rate of 10%, based on the stated liquidation preference of $25.00 per share, in arrears, when authorized by Redwood's Board of Directors and declared by the Company. Starting April 15, 2028, the annual dividend rate will reset to the five-year U.S. Treasury Rate plus a spread of 6.278%. The Series A Preferred Stock ranks senior to Redwood's common stock with respect to rights to the payment of dividends and the distribution of assets upon any liquidation, dissolution or winding up of the Company.

During the three months ended March 31, 2026, the Company declared preferred stock dividends of $0.625 per preferred share. At March 31, 2026, preferred dividends payable totaling $1 million for the first quarter 2026 dividend were included in Accrued expenses and other liabilities and were payable on April 15, 2026 to preferred stockholders of record on April 1, 2026.

***Direct Stock Purchase and Dividend Reinvestment Plan***

During the three months ended March 31, 2026, we did not issue shares of common stock through our Direct Stock Purchase and Dividend Reinvestment Plan. At March 31, 2026, approximately six million shares remained outstanding for future offerings under this plan.

***Common Stock Warrants***

In conjunction with establishing the joint venture with an institutional investment manager in the first quarter of 2024, we issued warrants exercisable for 1,974,905 shares of our common stock (the “First Tranche Warrants”); and (ii) warrants exercisable for 4,608,112 shares of our common stock (the “Second Tranche Warrants” and together with the First Tranche Warrants, the “Warrants”). Following an amendment to the terms of the Warrants in October 2025, the First Tranche Warrants are exercisable until September 18, 2030, and the Second Tranche Warrants, which vested upon achievement of specified deployment thresholds related to the joint venture, are also exercisable until September 18, 2030; the strike price of the Warrants is $6.96. The Warrants also contain a mandatory exercise provision, exercisable at Redwood’s option upon satisfaction of specified conditions, including the trading price of Redwood’s common stock exceeding a specified premium to the exercise price. Exercises of any Warrants will be settled on a net basis.

The Warrants met the criteria for equity classification under GAAP and are recorded as a component of Additional paid-in-capital in Equity on our Consolidated Balance Sheets. The Warrants were valued at $0.8 million on the issuance date and following the October 2025 amendment, are not subject to subsequent remeasurement. See *Note 21* for discussion on the impact of the Warrants on earnings per common share.

For additional information related to our equity, see *Note 20* to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025.

***Stock Repurchases***

In July 2025, our Board of Directors approved an authorization for the repurchase of up to $150 million of our common stock, and also authorized the repurchase of outstanding debt securities, including convertible debt. This authorization replaced our previous $125 million common stock repurchase authorization. In May 2023, our Board of Directors approved an additional authorization for the repurchase of up to $70 million of our preferred stock. These authorizations have no expiration dates and do not obligate us to acquire any specific number of shares or securities. During the three months ended March 31, 2026, we did not repurchase any shares of our common or preferred stock under these programs. At March 31, 2026, $111 million and $70 million of the current authorization remained available for the repurchase of shares of our common and preferred stock, respectively, and we also continued to be authorized to repurchase outstanding debt securities.

**Note 21. Earnings per Common Share**

The following table provides the basic and diluted earnings per common share computations for the three months ended March 31, 2026 and 2025.

***Table 21.1 – Basic and Diluted Earnings per Common Share***

| | Three Months Ended March 31, | |
|---|---|---|
| **(In Thousands, except Share Data)** | **2026** | **2025** |
| **Basic (Loss) Earnings per Common Share:** | | |
| Net (loss) income (related) available to common stockholders | $ (7,253) | $ 14,397 |
| Less: Dividends and undistributed earnings allocated to participating securities | (1,256) | (1,412) |
| Net (loss) income (related) available to common stockholders | $ (8,509) | $ 12,985 |
| Basic weighted average common shares outstanding | 124,769,331 | 132,766,199 |
| **Basic (Loss) Earnings per Common Share** | $ (0.07) | $ 0.10 |
| **Diluted (Loss) Earnings per Common Share:** | | |
| Net (loss) income (related) available to common stockholders | $ (7,253) | $ 14,397 |
| Less: Dividends and undistributed earnings allocated to participating securities | (1,256) | (1,412) |
| Net (loss) income (related) available to common stockholders | $ (8,509) | $ 12,985 |
| Weighted average common shares outstanding | 124,769,331 | 132,766,199 |
| Net effect of dilutive equity awards | — | — |
| Diluted weighted average common shares outstanding | 124,769,331 | 132,766,199 |
| **Diluted (Loss) Earnings per Common Share** | $ (0.07) | $ 0.10 |

We included participating securities, which are certain equity awards that have non-forfeitable dividend participation rights, in the calculations of basic and diluted earnings per common share as we determined that the two-class method was more dilutive than the alternative treasury stock method for these shares. Dividends and undistributed earnings allocated to participating securities under the basic and diluted earnings per share calculations require specific shares to be included that may differ in certain circumstances.

During the three months ended March 31, 2026 and 2025, our convertible senior notes (and our exchangeable senior notes in 2025) were not determined to be dilutive and were not included in the calculation of diluted EPS under the "if-converted" method. Under this method, for convertible notes due in 2027, if the potential conversion of the debt is dilutive, then the number of shares needed to settle the conversion premium are added to the shares outstanding used to calculate dilutive EPS.

During the three months ended March 31, 2026, none of our Warrants were determined to be dilutive to our calculation of dilutive earnings per common share. The Warrants would have a dilutive effect on earnings per common share to the extent that the Warrants are vested and exercisable, and the average market value per share of our common stock exceeds the strike price of the Warrants.

For both the three months ended March 31, 2026 and 2025, 28,433,909 and 30,479,037 of common shares related to the assumed conversion of our convertible senior notes and our exchangeable senior notes (for the 2025 period), were antidilutive and were excluded in the calculation of diluted earnings per share, respectively.

For the three months ended March 31, 2026 and 2025, the number of outstanding equity awards that were antidilutive totaled 20,568 and 22,451 common shares, respectively.

For additional information regarding EPS, see *Note 21* to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025.

**Note 22. General and Administrative Expenses**

Components of our general and administrative expenses for the three months ended March 31, 2026 and 2025 are presented in the following table.

***Table 22.1 – Components of General and Administrative Expenses***

| | Three Months Ended March 31, | |
|---|---|---|
| **(In Thousands)** | **2026** | **2025** |
| Fixed compensation expense [(1)] | $ 22,576 | $ 15,989 |
| Long-term incentive award expense [(2)] | 8,418 | 5,669 |
| Systems and consulting | 5,497 | 3,784 |
| Annual variable compensation expense | 4,979 | 5,936 |
| Accounting and legal | 1,933 | 1,599 |
| Corporate costs | 1,755 | 738 |
| Office costs | 1,659 | 1,979 |
| Other | 2,541 | 1,777 |
| **Total General and Administrative Expenses** | $ 49,358 | $ 37,471 |

(1) Includes $5 million of severance and transition-related expenses for the three months ended March 31, 2026.

(2) For the three months ended March 31, 2026 and 2025, long-term incentive award expense included $8 million and $6 million of expense, respectively, with $6 million and $5 million awards settleable in shares of our common stock, and $2 million and $1 million awards settleable in cash. For the three months ended March 31, 2026, includes $2 million of organizational realignment costs.

For additional information related to cash-settled long-term incentive awards, see *Note 15* to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025.

**Note 23. Taxes**

The Company's effective income tax rate differs from the federal corporate tax rate of 21.0%, primarily as a result of state taxes and REIT GAAP income not subject to federal income tax.

The Company's effective tax rate was 31.3% and 27.9% for the three months ended March 31, 2026 and 2025.

We assessed our tax positions for all open tax years (i.e., Federal, 2022 to 2026, and State, 2021 to 2026) at March 31, 2026 and December 31, 2025, and concluded that we had no uncertain tax positions that resulted in material unrecognized tax benefits.

As of March 31, 2026, the Company has a valuation allowance of $100 million for certain state deferred tax assets, as it is more likely than not that those assets will not be realized. The Company considers all available evidence, both positive and negative, to analyze the realizability of deferred tax assets. After evaluating these sources of taxable income, and considering the jurisdiction and character of the deferred tax assets, the Company continues to recognize its federal and certain state deferred tax assets of $12 million at March 31, 2026, as it believes it is more likely than not that the net deferred tax assets will be realized.

**Note 24. Subsequent Events**

Subsequent to March 31, 2026, the Company entered into a strategic joint venture with a third-party institutional investment manager to acquire prime jumbo residential mortgage loans. The joint venture is expected to acquire loans sourced through the Company’s Sequoia mortgage banking platform and provide capital to support loan acquisition and securitization activities. The Company will administer the assets held by the joint venture and may earn performance-based fees, subject to the achievement of specified return thresholds.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

**INTRODUCTION**

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity and certain other factors that may affect our future results. Our MD&A is presented in five main sections:


- Overview
- Results of Operations
  - Consolidated Results of Operations
  - Results of Operations by Segment
  - Income Taxes
- Liquidity and Capital Resources
- Critical Accounting Estimates
- Market and Other Risks


Our MD&A should be read in conjunction with the Consolidated Financial Statements and related Notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q and in Part II, Item 8, Financial Statements and Supplementary Data in our most recent Annual Report on Form 10-K, as well as the sections entitled "Risk Factors" in Part I, Item 1A of our most recent Annual Report on Form 10-K and Part II, Item 1A of this Quarterly Report on Form 10-Q, as well as other cautionary statements and risks described elsewhere in this report and our most recent Annual Report on Form 10-K. The discussion in this MD&A contains forward-looking statements that involve substantial risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, such as those discussed in the Cautionary Statement below.

References herein to "Redwood," the "company," "we," "us," and "our" include Redwood Trust, Inc. and its consolidated subsidiaries, unless the context otherwise requires. Financial information concerning our business is set forth in this MD&A and our consolidated financial statements and notes thereto, which are included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Our website can be found at www.redwoodtrust.com. We make available, free of charge through the investor relations section of our website, access to our Annual Reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934, as well as proxy statements, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the U.S. Securities and Exchange Commission ("SEC"). We also make available, free of charge, access to our charters for our Audit Committee, Compensation Committee, and Governance and Nominating Committee, our Corporate Governance Standards, and our Code of Ethics governing our directors, officers, and employees. Within the time period required by the SEC and the New York Stock Exchange, we will post on our website any amendment to the Code of Ethics and any waiver applicable to any executive officer or director of Redwood. In addition, our website includes information concerning purchases and sales of our equity securities by our executive officers and directors, and may include disclosure relating to certain non-GAAP financial measures (as defined in the SEC's Regulation G) that we may make public orally, telephonically, by webcast, by broadcast, or by similar means from time to time. The information on our website is not part of this Quarterly Report on Form 10-Q.

Our Investor Relations Department can be contacted at One Belvedere Place, Suite 300, Mill Valley, CA 94941, Attn: Investor Relations, telephone (866) 269-4976.

**Our Business**

Redwood Trust, Inc., together with its subsidiaries, is a specialty finance company focused on several distinct areas of housing credit where we provide liquidity to growing segments of the U.S. housing market not well served by government programs. We deliver customized housing credit investments to a diverse mix of investors, through our best-in-class securitization platforms, whole-loan distribution activities, joint ventures and our publicly traded shares. Our goal is to provide attractive returns to shareholders through a stable and growing stream of earnings and dividends, capital appreciation, and a commitment to technological innovation that facilitates risk-minded scale. We operate through three core residential housing-focused operating platforms — Sequoia, Aspire, and CoreVest — alongside our complementary Redwood Investments portfolio which is primarily composed of assets we source through these platforms. Redwood Investments also includes RWT Horizons®, our unified technology platform spanning internal AI innovation and strategic investments across the ecosystem, which supports our efforts to develop an AI-first operating model that enables compounding operational leverage and scalable growth. These platforms reflect how we manage and organize our business and may differ from the manner in which our reportable segments are presented for financial reporting purposes.

We report our results through the following reportable segments: Sequoia Mortgage Banking, Aspire Mortgage Banking, CoreVest Mortgage Banking, Redwood Investments and Legacy Investments. In the first quarter of 2026, we identified and began reporting a new reportable segment, Aspire Mortgage Banking, which was previously included within the Sequoia Mortgage Banking segment and consists of our expanded-credit residential mortgage conduit focused on acquiring and distributing residential consumer loans under expanded underwriting criteria, commonly referred to as “Expanded” or non-QM loans. These loan programs, primarily bank statement and DSCR loans, are designed for prime quality borrowers seeking alternative underwriting solutions, a segment that continues to grow within the U.S housing finance market. Since its launch in the first quarter of 2025, Aspire has scaled rapidly, including completing $914 million of loan sales to institutional buyers during 2025 and executing its first non-QM securitization in the first quarter of 2026. These activities supported improved capital turnover and reflect Aspire’s increasing contribution and distinct operating characteristics relative to our Sequoia Mortgage Banking segment. Aspire Mortgage Banking segment is expected to continue to grow over time as we expand our presence in this market.

For a full description of our segments, see Part 1, Item 1—Business in our Annual Report on Form 10-K for the year ended December 31, 2025. For further information on our reportable segments, see *Note 4* in Part 1, Item 1 - Financial Statements and *Results of Operations by Segment* in Part 1, Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations in this Quarterly Report on Form 10-Q.

**Cautionary Statement**

This Quarterly Report on Form 10-Q and the documents incorporated by reference herein contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve numerous risks and uncertainties. Our actual results may differ from our 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, opportunities, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, 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 we file with the SEC, 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.

Statements regarding the following subjects, among others, are forward-looking by their nature: (i) statements we make regarding Redwood's business strategy and strategic focus, including statements relating to our overall market position, strategy and long-term prospects (including trends driving the flow of capital in the housing finance market, our strategic initiatives designed to capitalize on those trends, our ability to attract capital to finance those initiatives, our approach to raising capital, and our ability to pay dividends in the future); (ii) statements related to our financial outlook and expectations for 2026 and future years, including our expectation to establish an additional joint venture in the second quarter of 2026 to support further growth at Aspire; (iii) statements related to opportunities we see for our residential consumer and residential investor platforms, and our positioning to capture market share; (iv) statements related to our investment portfolio including our intention to continue reducing our capital allocation to Legacy Investments, targeting reducing the capital allocated to the Legacy Investments segment down to $100 million by the end of 2026; (v) statements relating to acquiring residential mortgage loans in the future that we have identified for purchase or plan to purchase, including the amount of such loans that we locked in anticipation of purchase during the first quarter of 2026 and at March 31, 2026, expected fallout and the corresponding volume of residential mortgage loans expected to be available for purchase, total net jumbo loan exposure, and residential mortgage loans subject to forward sale commitments; (vi) statements we make regarding future dividends, including with respect to our regular quarterly dividends in 2026; and (vii) statements regarding our expectations and estimates relating to the characterization for income tax purposes of our dividend distributions, our expectations and estimates relating to tax accounting, tax liabilities and tax savings, and GAAP tax provisions, and our estimates of REIT taxable income and TRS taxable income.

Important factors, among others, that may affect our actual results include:

- adverse economic and market conditions—including in housing, real estate, mortgage finance, and broader financial markets;
- changing benchmark interest rates—and the Federal Reserve's actions and statements;
- federal, state, and local legislative and regulatory developments, and actions by governmental authorities and entities;
- our ability to compete successfully;
- our ability to adapt our business model and strategies;
- strategic business and capital deployment decisions we make;
- our use of financial leverage;
- our exposure to a breach of our cybersecurity or data security;
- the impact of public health events such as pandemics;
- our exposure to credit risk and the timing of credit losses within our portfolio;
- the concentration of the credit risks we are exposed to, including due to the structure of assets we hold and the geographical concentration of real estate underlying assets we own, and our exposure to environmental and climate-related risks;
- the efficacy and expense of our efforts to manage or hedge credit risk, interest rate risk, and other financial and operational risks;
- changes in credit ratings on assets we own and changes in the rating agencies' credit rating methodologies;
- changes in interest rates or mortgage prepayment rates;
- investment and reinvestment risk;
- asset performance, interest rate volatility, changes in credit spreads, and changes in liquidity in the market for real estate securities and loans;
- our ability to finance the acquisition of real estate-related assets with short-term debt;
- the ability of counterparties to satisfy their obligations to us;
- we may enter into new lines of business, acquire other companies, or engage in other new strategic initiatives;
- changes in the demand from investors for residential consumer and residential investor mortgages and investments, and our ability to distribute residential consumer and residential investor loans through our whole-loan distribution channels;
- our involvement in loan and HEI origination and securitization transactions, the profitability of those transactions, and the risks we are exposed to in engaging in loan origination or securitization transactions;
- foreclosure activity may expose us to risks associated with real estate ownership and operation;
- exposure to claims and litigation, including litigation arising from loan or HEI origination and securitization transactions;
- acquisitions or new business initiatives may fail to improve our business and could expose us to new or increased risks;
- whether we have sufficient liquid assets to meet short-term needs;
- changes in our investment, financing, and hedging strategies and new risks we may be exposed to if we expand or reorganize;
- our ability to successfully retain or attract key personnel;
- we are dependent on third-party information systems and third-party service providers;
- our exposure to a disruption of our or a third party's technology infrastructure and systems;
- our failure to maintain appropriate internal controls over financial reporting and disclosure controls and procedures;
- our risk management efforts may not be effective;
- we could be harmed by misconduct or fraud;
- inadvertent errors, system failures or cybersecurity incidents could disrupt our business;
- the impact on our reputation that could result from our actions or omissions or from those of others;
- accounting rules related to certain of our transactions and asset valuations are highly complex and involve significant judgment and assumptions;
- the future realization of our deferred tax assets is uncertain, and the amount of valuation allowance we may apply against our deferred tax assets may change materially in future periods;
- the impact of changes to U.S. federal income tax laws on the U.S. housing market, mortgage finance markets, and our business;
- regulatory risk related to HEI, including recharacterization or regulation as mortgage loans;
- our failure to comply with applicable laws and regulation, including our ability to obtain or maintain required governmental licenses;
- our ability to maintain our status as a REIT for tax purposes;
- our ability to raise, manage, and deploy capital;
- limitations imposed on our business due to our REIT status and our status as exempt from registration under the Investment Company Act of 1940;
- provisions in our charter and bylaws and provisions of Maryland law may limit a change in control or deter a takeover;
- the ability to take action against our directors and officers is limited by our charter and bylaws and provisions of Maryland law and we may indemnify them against certain losses;
- our stock may experience losses, volatility, and poor liquidity, and we may reduce our dividends;
- a limited number of institutional shareholders own a significant percentage of our common stock;
- future sales of our stock or other securities by us or our officers and directors may have adverse consequences for investors;
- the change-in-control-related conversion rights of our preferred stock may be detrimental to holders of our common stock;
- dividend distributions and the timing and character of such dividends may change;
- payment of dividends in common stock could place downward pressure on market price; and

- other factors not yet identified, including broad market fluctuations.

This Quarterly Report on Form 10-Q may contain statistics and other data that in some cases have been obtained from or compiled from information made available by servicers and other third-party service providers.

## OVERVIEW

### Business Update

Our first quarter 2026 results reflect continued execution against Redwood's strategy to scale a capital-efficient mortgage banking platform supported by diversified distribution channels and institutional capital partnerships. During the quarter, we generated our third consecutive record level of mortgage banking production, with combined Sequoia, Aspire, and CoreVest volumes reaching approximately $8.5 billion, an increase from $7.3 billion in the fourth quarter of 2025.

The operating environment remained characterized by subdued housing activity and affordability challenges, with mortgage applications continuing to track below pre-pandemic levels. Despite this backdrop, Redwood continued to gain market share across its platforms, supported by its established origination network and ability to provide liquidity and execution solutions to both bank and non-bank counterparties.

Our financial results reflected continued strength in operating performance despite increased market volatility late in the quarter. On a consolidated basis, Redwood reported a GAAP net loss of $(0.07) per share, primarily driven by market-driven valuation changes and restructuring expenses, while our mortgage banking platforms continued to generate strong operating income. GAAP book value per share declined modestly to $7.12 at March 31, 2026, compared to $7.36 at December 31, 2025.

Our Sequoia platform delivered record quarterly lock volume of $6.5 billion, compared to $5.3 billion in the fourth quarter of 2025 and continued market share gains across both bank and independent mortgage bank counterparties. Distribution activity remained strong, with $5.5 billion of loans sold or securitized compared to $4.1 billion in the prior quarter, including a record level of securitization issuance. With respect to the types of loan products that our Sequoia platform acquires, in the first quarter of 2026 we added a program to acquire mortgage loans tailored to medical professionals and we expect to begin acquiring HELOCs in the second quarter of 2026, complementing our acquisitions of closed-end second lien mortgage loans. Operating efficiency continued to improve, with cost per loan (calculated as operating expenses divided by loan purchase commitments for the Sequoia platform) declining to 18 basis points from 26 basis points, reflecting the benefits of scale and operating leverage.

Aspire continued to scale as a standalone platform in 2026, generating $1.6 billion of lock volume and completing its inaugural securitization transaction during the quarter. Distribution remained diversified, with approximately $1.0 billion of loans sold through a combination of this inaugural securitization and whole loan sales, supported by strong demand from institutional investors. The platform's expanding seller network and product breadth continue to support growth opportunities across the non-QM market.

CoreVest funded $432 million of loans during the quarter, reflecting a modest decline from the prior quarter as the platform took a more measured approach to originations late in the first quarter in response to increased market volatility. Despite lower overall volume, CoreVest continued to make progress in its strategic focus on smaller-balance products, including RTL and DSCR loans, while maintaining strong distribution activity of approximately $694 million across securitizations, whole loan sales, and joint venture transfers.

Across our platforms, distribution remained a key driver of capital efficiency and liquidity. Total mortgage banking distributions increased to approximately $7.2 billion during the quarter, supported by continued momentum in securitization issuance, whole loan sales, and joint venture activity. These distribution channels enabled efficient risk transfer and supported continued improvements in capital velocity and operating efficiency.

We continued to advance our capital-light strategy through the expansion of institutional partnerships. During the quarter, cumulative loan transfers to our joint venture with CPP Investments reached approximately $2 billion since inception. Subsequent to quarter-end, we announced an additional strategic joint venture designed to support continued growth across our Sequoia platform, providing dedicated capital and enhancing our ability to efficiently distribute loan production across varying market conditions. In addition, we expect to establish an additional joint venture in the second quarter of 2026 to support further growth within Aspire.

Our Legacy Investments portfolio continued to decline as a percentage of total capital, decreasing to approximately 15% at March 31, 2026, compared to 19% at year-end 2025, reflecting ongoing asset resolution activity and capital redeployment into higher-return operating platforms.

In addition, we continued to invest in technology and operational infrastructure to support scalable growth across our platforms. Through our RWT Horizons initiatives, we advanced the use of automation and data-driven processes across mortgage banking functions, contributing to improved execution speed and operational efficiency. These efforts are designed to enhance our ability to scale production while maintaining disciplined cost management.

Looking ahead, the broader housing finance market continues to be influenced by interest rate volatility, evolving monetary policy, and geopolitical uncertainty. While these factors may contribute to near-term variability in market activity, they also reinforce the importance of capital-efficient platforms capable of adapting to changing conditions.

## RESULTS OF OPERATIONS

Within this *Results of Operations* section, in accordance with Item 303(c)(2)(ii) of Regulation S-K, we have elected to discuss any material changes in our results of operations by comparing our quarter ended March 31, 2026 to the immediate preceding quarter ended December 31, 2025. We believe that providing a sequential discussion of our results of operations offers highly relevant information for investors and stakeholders to understand and analyze our business activities. Additionally, we generally continue to address material changes in our results of operations for the most recent fiscal year-to-date period, compared to the corresponding year-to-date period of the preceding fiscal year, pursuant to Item 303(c)(2)(i) of Regulation S-K. Unless otherwise specified, references in this section to increases or decreases during the "three month periods" refer to the change in results for the first quarter of 2026, compared to the first or fourth quarter of 2025.

### Consolidated Results of Operations

The following table presents the components of our net (loss) income for the three months ended March 31, 2026, the immediate preceding quarter ended December 31, 2025, and year-to-date period ended March 31, 2025.

***Table 1 – Net (Loss) Income***

| | Three Months Ended | | | Three Months Ended | | |
|---|---|---|---|---|---|---|
| **(In Thousands, except per Share Data)** | **March 31, 2026** | **December 31, 2025** | **Change** | **March 31, 2026** | **March 31, 2025** | **Change** |
| **Net Interest Income From:** | | | | | | |
| Sequoia mortgage banking | $ 24,969 | $ 17,942 | $ 7,027 | $ 24,969 | $ 14,622 | $ 10,347 |
| Aspire mortgage banking | 3,642 | 2,889 | 753 | 3,642 | (183) | 3,825 |
| CoreVest mortgage banking | 2,109 | 1,997 | 112 | 2,109 | 1,383 | 726 |
| Redwood Investments | 12,442 | 14,879 | (2,437) | 12,442 | 16,524 | (4,082) |
| Legacy Investments | (8,710) | (12,234) | 3,524 | (8,710) | (4,700) | (4,010) |
| Corporate/other | 265 | 454 | (189) | 265 | 296 | (31) |
| **Net Interest Income** | 34,717 | 25,927 | 8,790 | 34,717 | 27,942 | 6,775 |
| **Non-Interest Income** | | | | | | |
| Sequoia mortgage banking activities, net | 22,051 | 35,213 | (13,162) | 22,051 | 21,918 | 133 |
| Aspire mortgage banking activities, net | 2,684 | 5,170 | (2,486) | 2,684 | 233 | 2,451 |
| CoreVest mortgage banking activities, net | 7,229 | 12,681 | (5,452) | 7,229 | 10,902 | (3,673) |
| Investment fair value changes, net | (23,199) | (506) | (22,693) | (23,199) | (5,188) | (18,011) |
| HEI income, net | 7,109 | 2,990 | 4,119 | 7,109 | 10,166 | (3,057) |
| Servicing income | 8,021 | 3,562 | 4,459 | 8,021 | 3,407 | 4,614 |
| Fee income | 2,886 | 1,818 | 1,068 | 2,886 | 2,351 | 535 |
| Other income, net | 2,437 | 2,164 | 273 | 2,437 | 1,550 | 887 |
| Realized (losses) gains, net | — | (1,767) | 1,767 | — | 567 | (567) |
| Total non-interest income, net | 29,218 | 61,325 | (32,107) | 29,218 | 45,906 | (16,688) |
| General and administrative expenses | (49,358) | (40,785) | (8,573) | (49,358) | (37,471) | (11,887) |
| Portfolio management costs | (8,729) | (4,758) | (3,971) | (8,729) | (6,491) | (2,238) |
| Loan acquisition costs | (6,729) | (5,439) | (1,290) | (6,729) | (3,568) | (3,161) |
| Other expenses | (7,125) | (8,239) | 1,114 | (7,125) | (3,909) | (3,216) |
| Total Operating expenses | (71,941) | (59,221) | (12,720) | (71,941) | (51,439) | (20,502) |
| **Net (Loss) Income Before Income Taxes** | (8,006) | 28,031 | (36,037) | (8,006) | 22,409 | (30,415) |
| Benefit (Provision) for income taxes | 2,503 | (8,008) | 10,511 | 2,503 | (6,262) | 8,765 |
| **Net (Loss) Income** | (5,503) | 20,023 | (25,526) | (5,503) | 16,147 | (21,650) |
| Dividends on preferred stock | (1,750) | (1,758) | 8 | (1,750) | (1,750) | — |
| **Net (Loss) Income (Related) Available to Common Stockholders** | $ (7,253) | $ 18,265 | $ (25,518) | $ (7,253) | $ 14,397 | $ (21,650) |

***Three Months Ended March 31, 2026 Compared to Three Months Ended December 31, 2025***

Net loss for the three months ended March 31, 2026 totaled $7 million, compared with net income of $18 million for the three months ended December 31, 2025. The decline was primarily driven by lower mortgage banking activities reflecting reduced gain on sale margins across the Sequoia and Aspire mortgage banking platforms, as the fourth quarter of 2025 benefited from more favorable market conditions, including tighter mortgage spreads and stronger execution on loan sales, that did not recur in the first quarter of 2026. Results were further impacted by market-driven negative fair value changes on our investment portfolio during a period of increased interest rate and spread volatility late in the first quarter of 2026. These impacts were partially offset by higher net interest income from our Mortgage Banking platforms, improved servicing income, and lower losses within our Legacy Investments segment.

Net interest income increased by $9 million during the quarter, driven by growth and capital deployment across our Mortgage Banking platforms. Sequoia contributed the majority of the increase, with net interest income increasing by approximately $7 million, primarily reflecting higher income earned on loans held-for-sale, increased average inventory balances, and modest benefits from lower benchmark rates. Aspire also contributed incremental growth, with net interest income increasing by approximately $1 million as the platform continued to scale, while CoreVest remained relatively consistent quarter over quarter. These increases were partially offset by a $2 million decline in net interest income from Redwood Investments due to portfolio repositioning and paydowns, partially offset by income generated from retained operating investments sourced through our mortgage banking platforms. Legacy Investments net interest loss improved by approximately $4 million, driven by continued portfolio runoff and lower secured financing costs on our legacy bridge loans which were optimized into an accretive secured financing structure during the quarter.

Mortgage banking activities remained strong, with total production increasing to $8.5 billion from $7.3 billion in the prior quarter, reflecting continued scale across Sequoia and Aspire and strong demand across securitizations, whole loan sales, and joint ventures. Despite this growth, mortgage banking activities, net declined to $32 million from $53 million in the prior quarter. The decrease was primarily due to lower gain-on-sale margins across platforms, reflecting less favorable market conditions and increased interest rate and spread volatility, particularly late in the first quarter. At Sequoia, margins declined to 96 basis points from 136 basis points in the prior quarter, while Aspire margins declined to 73 basis points from 92 basis points. These declines were partially offset by higher volumes, including a 22% increase in Sequoia lock volumes to $6.5 billion and continued growth in Aspire production, as well as strong distribution activity, including the platform's inaugural securitization. CoreVest mortgage banking activities, net also declined as lower margins and modestly lower funding volumes more than offset continued distribution activity, reflecting a more cautious origination approach late in the quarter in response to market volatility and evolving borrower demand.

Investment fair value changes were a significant driver of the quarter-over-quarter decline, reflecting a $23 million negative fair value changes in the first quarter of 2026. These changes were primarily driven by market-driven valuation changes and portfolio seasoning within Redwood Investments, while underlying asset performance remained generally stable across most of the portfolio. Valuation impacts within Legacy Investments were largely consistent with the prior quarter.

Operating expenses increased to $49 million for the first quarter of 2026, compared to $41 million for the fourth quarter of 2025. The increase was primarily driven by higher general and administrative expenses, including approximately $7 million of severance and organizational restructuring costs, as well as higher portfolio management costs associated with managing and resolving assets within Redwood Investments and Legacy Investments, including REO-related costs and other asset-level expenses tied to ongoing resolution activity.

Overall, first quarter results reflect continued strength in our core Mortgage Banking platforms, including record production volumes, improving operating efficiency, and strong capital velocity, offset by normalization of gain-on-sale margins and market-driven valuation changes. Results also reflect continued execution on our strategic repositioning, including scaling capital-light operating platforms such as Sequoia and Aspire, alongside ongoing reduction in exposure to non-core Legacy Investments.

See further discussion of these results in the *Segment Results s*ection in Part I, Item 2 of this Quarterly Report on Form 10-Q

***Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025***

Net loss for the three months ended March 31, 2026 totaled $7 million, compared with net income of $14 million for the three months ended March 31, 2025. The decline was primarily driven by negative investment fair value changes reflecting market-driven valuation declines across our investment portfolio. During the first quarter of 2026, interest rates across the U.S. Treasury yield curve increased by approximately 15 to 35 basis points, which adversely impacted the more interest rate-sensitive portions of the portfolio.

The decline in net income over the three month periods was also attributable to higher operating expenses, including approximately $7 million of severance and organizational restructuring costs, as well as higher portfolio management and loan acquisition expenses. These impacts were partially offset by higher net interest income from our Mortgage Banking platforms, reflecting growth and continued capital deployment across Sequoia and Aspire mortgage banking. The underlying factors driving these variances are consistent with those discussed above in the comparison of the first quarter of 2026 to the fourth quarter of 2025.

See further discussion of these results in the *Segment Results s*ection in Part I, Item 2 of this Quarterly Report on Form 10-Q

***Consolidated Net Interest Income***

The following tables present the components of net interest income recorded in each line item of our consolidated statements of income for the three months ended March 31, 2026, the immediate preceding quarter ended December 31, 2025 and year-to-date period ended March 31, 2025.

***Table 2 – Consolidated Net Interest Income***

| | Three Months Ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2026 | | | December 31, 2025 | | |
| (Dollars in Thousands) | Interest Income/ (Expense) | Average Balance [1] | Yield [2] | Interest Income/ (Expense) | Average Balance [1] | Yield [2] |
| **Interest Income** | | | | | | |
| Residential consumer loans [2] | | | | | | |
| Unsecuritized | $ 54,204 | $ 3,371,396 | 6.4 % | $ 46,047 | $ 2,862,424 | 6.4 % |
| Securitized - Sequoia [3] | 222,431 | 16,080,958 | 5.5 % | 197,481 | 14,256,347 | 5.5 % |
| Securitized - SLST (re-performing loans) [3] | — | — | — % | 1,262 | 124,069 | 4.1 % |
| Total residential consumer loans | 276,635 | 19,452,354 | 5.7 % | 244,790 | 17,242,840 | 5.7 % |
| Residential investor loans [2] | | | | | | |
| Unsecuritized - Term | 1,428 | 132,554 | 4.3 % | 1,786 | 151,987 | 4.7 % |
| Unsecuritized - Bridge | 6,325 | 331,748 | 7.6 % | 7,856 | 519,204 | 6.1 % |
| Securitized - Term [3] | 26,125 | 1,933,556 | 5.4 % | 27,259 | 2,070,147 | 5.3 % |
| Securitized - Bridge [3] | 23,161 | 1,102,976 | 8.4 % | 23,258 | 1,002,069 | 9.3 % |
| Total residential investor loans | 57,039 | 3,500,834 | 6.5 % | 60,159 | 3,743,407 | 6.4 % |
| Real estate securities [4] | 15,187 | 228,619 | 26.6 % | 13,828 | 221,985 | 24.9 % |
| Other interest income | 8,058 | 557,866 | 5.8 % | 8,186 | 594,428 | 5.5 % |
| **Total interest income** | 356,919 | 23,739,673 | 6.0 % | 326,963 | 21,802,660 | 6.0 % |
| **Interest Expense** | | | | | | |
| ABS Issued | | | | | | |
| Sequoia [3] | (200,068) | 15,380,685 | (5.2)% | (179,217) | 13,651,109 | (5.3)% |
| SLST (re-performing loans) [3] | — | — | — % | (1,185) | 109,524 | (4.3)% |
| CAFL Term [3] | (20,446) | 1,626,455 | (5.0)% | (21,455) | 1,749,092 | (4.9)% |
| CAFL Bridge [3] | (17,704) | 1,110,770 | (6.4)% | (17,252) | 1,038,197 | (6.6)% |
| ABS issued | (238,218) | $ 18,117,910 | (5.3)% | (219,109) | $ 16,547,922 | (5.3)% |
| Debt Facilities | (65,936) | 4,252,284 | (6.2)% | (65,308) | 3,891,071 | (6.7)% |
| Corporate Debt | (18,048) | 763,190 | (9.5)% | (16,621) | 712,177 | (9.3)% |
| **Total interest expense** | (322,202) | 23,133,384 | (5.6)% | (301,038) | $ 21,151,170 | (5.7)% |
| **Net Interest Income** | $ 34,717 | | | $ 25,925 | | |

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2026 | | | 2025 | | |
| (Dollars in Thousands) | Interest Income/ (Expense) | Average Balance [1] | Yield [2] | Interest Income/ (Expense) | Average Balance [1] | Yield |
| **Interest Income** | | | | | | |
| Residential consumer loans [2] | | | | | | |
| Unsecuritized | $ 54,204 | $ 3,371,396 | 6.4 % | $ 15,726 | $ 966,777 | 6.5 % |
| Securitized - Sequoia [3] | 222,431 | 16,080,958 | 5.5 % | 132,882 | 9,540,373 | 5.6 % |
| Securitized - SLST (re-performing loans) [3] | — | — | — % | 13,735 | 1,237,704 | 4.4 % |
| Total residential consumer loans | $ 276,635 | $ 19,452,354 | 5.7 % | $ 162,343 | $ 11,744,854 | 5.5 % |
| Residential investor loans [2] | | | | | | |
| Unsecuritized - Term | 1,428 | 132,554 | 4.3 % | 2,625 | 160,895 | 6.5 % |
| Unsecuritized - Bridge | 6,325 | 331,748 | 7.6 % | 22,064 | 1,124,335 | 7.8 % |
| Securitized - Term [3] | 26,125 | 1,933,556 | 5.4 % | 34,506 | 2,463,520 | 5.6 % |
| Securitized - Bridge [3] | 23,161 | 1,102,976 | 8.4 % | 18,960 | 798,273 | 9.5 % |
| Total residential investor loans | 57,039 | 3,500,834 | 6.5 % | 78,155 | 4,547,023 | 6.9 % |
| Real estate securities [4] | 15,187 | 228,619 | 26.6 % | 18,537 | 406,215 | 18.3 % |
| Other interest income | 8,058 | 557,866 | 5.8 % | 13,059 | 959,546 | 5.4 % |
| **Total interest income** | 356,919 | 23,739,673 | 6.0 % | 272,094 | 17,657,638 | 6.2 % |
| **Interest Expense** | | | | | | |
| ABS issued | | | | | | |
| Sequoia [3] | (200,068) | 15,380,685 | (5.2)% | (122,624) | 9,044,576 | (5.4)% |
| SLST (re-performing loans) [3] | — | — | — % | (12,699) | 1,144,190 | (4.4)% |
| CAFL Term [3] | (20,446) | 1,626,455 | (5.0)% | (28,475) | 2,144,641 | (5.3)% |
| CAFL Bridge [3] | (17,704) | 1,110,770 | (6.4)% | (11,506) | 739,978 | (6.2)% |
| Other ABS [3] | — | — | — % | (4,066) | 388,711 | (4.2)% |
| ABS issued | (238,218) | 18,117,910 | (5.3)% | (179,370) | 13,462,096 | (5.3)% |
| Debt Facilities | (65,936) | 4,252,284 | (6.2)% | (48,627) | 2,663,802 | (7.3)% |
| Corporate Debt | (18,048) | 763,190 | (9.5)% | (16,155) | 728,381 | (8.9)% |
| **Total interest expense** | $ (322,202) | $ 23,133,384 | (5.6)% | $ (244,152) | $ 16,854,279 | (5.8)% |
| **Net Interest Income** | $ 34,717 | | | $ 27,942 | | |

(1) Average balances for residential consumer loans, residential investor loans, and trading securities are calculated based upon carrying values, which represent fair values. Average balances for AFS securities, debt facilities, corporate debt and certain ABS issued are calculated based upon amortized historical cost. Average balances for ABS carried at fair value are calculated based upon fair value.

(2) Yield is calculated as interest income/expense divided by average balance. Interest income on loans is based on stated loan coupons, net of interest write offs on non-performing loans.

(3) Interest income and interest expense securitized loans reflect activity from consolidated VIEs. While we consolidate these entities for GAAP reporting purposes, economically, we earn interest income from the securities we own in these entities, which is represented by the net interest income (interest income less interest expense) from these consolidated entities presented in the table above.

(4) Real estate securities include trading securities consisting primarily of interest-only securities, which generate a higher cash interest yield. This interest income may be offset by a decline in fair value (recognized through investment fair value changes, net on our consolidated statements of (loss) income) related to the receipt of cash flows each period, resulting in a lower overall economic yield for these investments.

***Consolidated Market Valuation Gains and Losses, Net***

The following table presents the net market valuation gains and losses recorded in each line item of our consolidated statements of income for the three months ended March 31, 2026, the immediate preceding quarter ended December 31, 2025 and year-to-date period ended March 31, 2025.

***Table 3 – Consolidated Market Valuation Gains and Losses, Net***

| | Three Months Ended | | Three Months Ended | |
|---|---|---|---|---|
| **(In Thousands)** | **March 31, 2026** | **December 31, 2025** | **March 31, 2026** | **March 31, 2025** |
| **Mortgage Banking Activities, Net** | | | | |
| Residential consumer loans held-for-sale | $ 16,289 | $ 25,413 | $ 16,289 | $ 460 |
| Residential consumer LPCs | 1,997 | 47,856 | 1,997 | 30,139 |
| Residential investor term loans held-for-sale | (1,575) | 4,436 | (1,575) | 5,815 |
| Residential investor term loan IRLCs | (91) | — | (91) | 1,115 |
| Residential investor bridge loans | 364 | 4,551 | 364 | 1,032 |
| Trading securities [1] | 37,195 | (34,528) | 37,195 | (29,327) |
| Risk management derivatives, net | (31,382) | 912 | (31,382) | 17,842 |
| **Total mortgage banking activities, net [2]** | 22,797 | 48,640 | 22,797 | 27,076 |
| **Investment Fair Value Changes, Net** | | | | |
| Residential investor term loans held-for-sale | 113 | 214 | 113 | (42) |
| Residential investor bridge loans held-for-investment | 3,338 | (6,651) | 3,338 | (22,839) |
| Real estate securities | 10,601 | (689) | 10,601 | (4,107) |
| Servicer advance investments | 6,903 | 6,995 | 6,903 | (1,353) |
| Excess MSRs | 2,020 | 7,927 | 2,020 | (1,190) |
| Net investments in Sequoia entities [3] | 10,892 | (2,340) | 10,892 | (12,569) |
| Net investments in SLST (re-performing loans) entities [3] | — | (122) | — | 29,121 |
| Net investments in CAFL entities [3] | (14,540) | (5,781) | (14,540) | 439 |
| Other investments [4] | (4,253) | (5,961) | (4,253) | (13,279) |
| Risk management derivatives, net | (38,274) | 5,902 | (38,274) | 20,631 |
| **Total investment fair value changes, net** | (23,200) | (506) | (23,200) | (5,188) |
| **HEI income, Net** | | | | |
| Unsecuritized HEI | 5,109 | 2,780 | 5,109 | 7,136 |
| Net investments in HEI securitization entities [3] | 1,893 | 81 | 1,893 | 2,935 |
| **Total HEI income, net** | 7,002 | 2,861 | 7,002 | 10,071 |
| **Servicing income, net** | | | | |
| MSRs | 5,057 | 426 | 5,057 | 1,194 |
| **Total Servicing income, net [5]** | 5,057 | 426 | 5,057 | 1,194 |
| **Total Market Valuation Gains, Net** | $ 11,656 | $ 51,421 | $ 11,656 | $ 33,153 |

(1) Represents fair value changes on trading securities that are being used along with risk management derivatives to manage the market risks associated with our Sequoia Mortgage Banking platform.

(2) Mortgage banking activities, net presented above does not include fee income from loan originations or acquisitions, provisions for repurchases, or other expenses that are components of Mortgage banking activities, net presented on our consolidated statements of (loss) income, as these amounts do not represent market valuation changes.

(3) Includes changes in fair value of the securitized loans held-for-investment, securitized HEI, REO and the ABS issued at the entities, which, netted together, represent the change in value of our investments at the consolidated VIEs accounted for under the CFE election.

(4) Other investments includes changes in fair value of REO assets.

(5) Servicing income, net excludes net MSR fee income or provision for repurchases, as these amounts do not represent market valuation adjustments.

**Results of Operations by Segment**

We operate our business across five reportable segments: Sequoia Mortgage Banking, Aspire Mortgage Banking, CoreVest Mortgage Banking, Redwood Investments and Legacy Investments. For additional information on our segments, refer to *Note 4* of our *Notes to Consolidated Financial Statements* in Part I, Item 1 of this Quarterly Report on Form 10-Q.

During the three months ended March 31, 2026, we began discussing our Mortgage Banking platforms ("Mortgage Banking") on a combined basis to reflect the manner in which management evaluates the performance of its mortgage origination and distribution activities. Our Mortgage Banking platforms consist of Sequoia Mortgage Banking, Aspire Mortgage Banking and CoreVest Mortgage Banking segments. These platforms are primarily driven by loan production volumes, gain-on-sale margins, and execution across distribution channels. While each segment is reported separately, a combined discussion provides useful context for understanding the key drivers of changes in results of operations, with additional segment-level detail provided below.

During the three months ended March 31, 2026, we also began allocating corporate financing costs, comprised of interest expense on our promissory notes, trust preferred securities, convertible debt, and senior notes, as well as our preferred stock dividend expense and corporate capital to our operating or reportable segments for informational purposes. Corporate and other activities that are not directly allocated to the Company's operating segments are included in Corporate/Other. For comparability purposes, prior period segment information has been adjusted to reflect this allocation.

The following table presents the segment contribution from our operations, reconciled to our consolidated net income for the three months ended March 31, 2026, the immediate preceding quarter December 31, 2025, and year-to-date period March 31, 2025. For comparability purposes, prior period segment information has been adjusted to reflect the changes discussed above.

***Table 4 – Segment Results Summary***

| | Three Months Ended | | | Three Months Ended | | |
|---|---|---|---|---|---|---|
| **(In Thousands)** | **March 31, 2026** | **December 31, 2025** | **Change** | **March 31, 2026** | **March 31, 2025** | **Change** |
| **Segment Contribution from:** | | | | | | |
| Sequoia | $ 37,831 | $ 33,329 | $ 4,502 | $ 37,831 | $ 22,454 | $ 15,377 |
| Aspire | 2,268 | 3,330 | (1,062) | 2,268 | (965) | 3,233 |
| CoreVest | (3,377) | 6,844 | (10,221) | (3,377) | 1,288 | (4,665) |
| **Total Mortgage Banking** | 36,722 | 43,503 | (6,781) | 36,722 | 22,777 | 13,945 |
| Redwood Investments | (8,000) | 15,170 | (23,170) | (8,000) | 18,860 | (26,860) |
| Legacy Investments | (13,060) | (22,900) | 9,840 | (13,060) | (9,345) | (3,715) |
| Corporate/Other | (22,915) | (17,508) | (5,407) | (22,915) | (17,895) | (5,020) |
| **Net (Loss) Income** | $ (7,253) | $ 18,265 | $ (25,518) | $ (7,253) | $ 14,397 | $ (21,650) |

The sections that follow provide further detail on our business segments and their results of operations for the three months ended March 31, 2026, the immediate preceding quarter ended December 31, 2025, and year-to-date period ended March 31, 2025.

*Corporate/Other*

Net expenses from Corporate/Other increased by $5 million to $23 million for the three months ended March 31, 2026 compared to the three months ended December 31, 2025 and March 31, 2025. The increase primarily reflects higher compensation and related costs associated with increased headcount supporting growth of the Mortgage Banking platforms and higher portfolio management expenses related to legacy loan resolutions incurred during the first quarter of 2026. The quarter also included certain restructuring
expenses, including performance-based compensation costs and restructuring-related severance and organizational realignment costs.

***Mortgage Banking Platforms***

Our Mortgage Banking platforms, consisting of the Sequoia Mortgage Banking, Aspire Mortgage Banking and CoreVest Mortgage Banking segments, generate income from the origination or acquisition of loans and the subsequent sale or securitization of those loans.

Sequoia Mortgage Banking consists of a mortgage loan conduit that acquires residential consumer loans from third-party originators for subsequent sale to whole loan buyers, securitization through our SEMT® (Sequoia) private-label securitization program, or transfer into our Redwood Investments portfolio. Subordinate securities that we retain from our Sequoia securitizations (many of which we consolidate for GAAP purposes) are transferred to and held in our Redwood Investments segment. We typically acquire residential consumer mortgages and the related mortgage servicing rights on a flow or bulk basis from our extensive network of loan sellers. Refer to the *Sequoia Mortgage Banking Segment* below for further discussion and additional details.

In the first quarter of 2025, we launched an additional mortgage loan conduit under our Aspire brand that acquires mortgage loans under expanded underwriting criteria, which we also refer to as “non-QM.” These loan programs, primarily bank statement and DSCR loans, are designed for prime-quality borrowers seeking alternative underwriting solutions, a segment that continues to grow within the U.S. housing market. In the first quarter of 2026, due to the continued scaling and distinct operating characteristics of this platform, we began reporting Aspire as a separate reportable segment, Aspire Mortgage Banking. Aspire offers a differentiated product set relative to our Sequoia prime jumbo platform and has meaningfully scaled operations since its launch. As a result, Aspire activity is no longer included within our Sequoia Mortgage Banking segment. This change had no impact on the consolidated financial statements and all prior period amounts were conformed to the current presentation. Refer to the *Aspire Mortgage Banking Segment* below for further discussion and additional details.

CoreVest Mortgage Banking consists of a platform that originates residential investor loans for subsequent securitization, sale, or transfer into our Redwood Investments portfolio or into joint ventures. Residential investor loans are loans to investors in single-family rental and multifamily properties, which we classify as either "term" loans (which include loans with maturities that generally range from 3 to 30 years) or "bridge" loans (fixed and floating-rate loans with maturities that generally range between 12 and 36 months, typically used to finance transitional properties or value-add strategies). Residential investor term loans include both larger balance and smaller balance mortgage loans secured by stabilized residential real estate (primarily 1-4 units detached or multifamily) that the borrower owns as an investment property and rents to residential tenants. Our smaller balance term loans are referred to as DSCR loans, which are fixed or floating-rate loans underwritten primarily on the basis of the property's debt service coverage ratio, rather than the borrower's personal income, and designed for stabilized rental properties.

CoreVest loans are typically distributed through our CAFL® private-label securitization program, through whole loan sales, transfers into our Redwood Investments portfolio or into sales into one of our joint ventures. We have established joint ventures with two separate institutional investment managers, one to invest in residential investor bridge loans originated by CoreVest and another to invest in residential investor bridge and term loans originated by CoreVest. We administer the joint ventures for ongoing fees and are entitled to earn additional performance fees upon realization of specified return hurdles.

Our inventory of loans originated by CoreVest is managed with a combination of our capital and loan warehouse facilities. All of these facilities are non-marginable (i.e., not subject to margin calls based solely on the lender's determination, in its discretion, of the market value of the underlying collateral that is non-delinquent).

The main sources of mortgage banking income across our segments are net interest income from our inventory of loans held-for-sale (including interest expense on secured financings and allocated corporate financing costs), securities utilized for interest rate hedging purposes, as well as mortgage banking activities, net which includes origination and other fees on loans, mark-to-market adjustments on loans from the time loans are originated or purchased to when they are sold, securitized or transferred into our Redwood Investments portfolio, as well as loan purchase commitments, interest rate lock commitments and the hedges used to manage risks associated with these activities. See *Note 5* of our *Notes to Consolidated Financial Statements* in Part I, Item 1 of this Quarterly Report on Form 10-Q for further detail on the composition of mortgage banking activities. Fee income associated with our administration of joint ventures and other loan-related administrative functions is also included in this segment. Direct operating expenses and tax expenses associated with these activities are also included in each mortgage banking segment.

The following table presents key earnings for our Mortgage Banking platforms during the three months ended March 31, 2026, the immediate preceding quarter December 31, 2025, and year-to-date period through March 31, 2025.

***Table 5 – Mortgage Banking Platforms Earnings Summary***

| | Three Months Ended | | | Three Months Ended | | |
|---|---|---|---|---|---|---|
| **(In Thousands)** | **March 31, 2026** | **December 31, 2025** | **Change** | **March 31, 2026** | **March 31, 2025** | **Change** |
| Mortgage banking income | $ 65,835 | $ 79,491 | $ (13,656) | 65,835 | $ 51,954 | $ 13,881 |
| Operating expenses | (31,242) | (29,047) | (2,195) | (31,242) | (22,074) | (9,168) |
| Benefit from (provision for) income taxes | 2,964 | (6,143) | 9,107 | 2,964 | (6,613) | 9,577 |
| Dividends on preferred stock | (835) | (798) | (37) | (835) | (490) | (345) |
| Mortgage Banking Contribution | $ 36,722 | $ 43,503 | $ (6,781) | $ 36,722 | $ 22,777 | $ 13,945 |

***Three Months Ended March 31, 2026 Compared to Three Months Ended December 31, 2025***

The $7 million decrease in Mortgage Banking contribution during the three months ended March 31, 2026, as compared to the three months ended December 31, 2025, is primarily driven by a $14 million decline in mortgage banking income resulting from normalization of gain-on-sale margins driven in part by market volatility later in the first quarter, and changes in execution mix, partially offset by continued growth in production volumes and distribution activity.

Mortgage Banking production volumes increased to approximately $8.5 billion during the first quarter of 2026, compared to approximately $7.3 billion in the fourth quarter of 2025, reflecting substantial growth across all three platforms and marking a record level of quarterly production. Production volumes also increased 17% compared to the fourth quarter of 2025, representing the third consecutive quarter of record production. The increase in production volumes was driven by expansion of the Company's loan seller network, increased activity from both bank and independent mortgage bank counterparties, and the continued scaling of newer platforms, including Aspire, which was launched in January 2025, and CoreVest's small-balance, including DSCR and RTL products.

This growth was achieved despite a more volatile and uncertain macroeconomic backdrop and a decline in overall industry origination volumes versus the fourth quarter of 2025, reflecting continued market share gains across the Company's Mortgage Banking platforms. Distribution activity also increased meaningfully, supported by continued execution across securitization and whole loan sale channels, including record securitization activity during the quarter, which facilitated efficient risk transfer and consistent access to capital markets.

Despite the increase in production volumes, mortgage banking income was partially impacted by lower gain-on-sale margins compared to elevated levels in the prior quarter, which benefited from favorable market conditions, including interest rate volatility, hedge outperformance, and spread tightening. Margins in the current period reflect a more normalized market environment as well as less favorable capital markets conditions, including changes in interest rates and mortgage spreads. Notwithstanding these dynamics, gross margins remained at the higher end of the Company's targeted ranges during the quarter, despite increased market volatility late in the quarter driven by changes in interest rates and mortgage spreads.

Operating expenses increased compared to the prior quarter, primarily reflecting higher production-related compensation, increased loan acquisition costs, and continued investment in platform capabilities, including personnel, infrastructure, and capital markets execution across all three platforms. However, expense growth remained more moderate relative to the increase in production volumes, resulting in improved operating leverage. In particular, production growth outpaced expense growth during the quarter, and total operating expenses as a percentage of volume declined by 7% compared to the prior quarter, reflecting continued efficiency gains as scale increased.

Overall, Mortgage Banking results for the current quarter reflect strong growth in production and distribution activity across all platforms, supported by continued market share gains, platform expansion, and capital markets execution, partially offset by normalization in margins relative to elevated prior-year levels. The Mortgage Banking platforms continue to benefit from an originate-to-distribute model, which supports capital efficiency through securitizations, whole loan sales, and joint venture activity, and enables production to scale while maintaining disciplined capital deployment.

***Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025***

The $14 million increase in Mortgage Banking contribution during the three months ended March 31, 2026, as compared to the three months ended March 31, 2025, is primarily driven by higher mortgage banking income attributable to increased production volumes and strong distribution activity in the first quarter of 2026.

*Sequoia Mortgage Banking Segment*

The following table presents key earnings and operating metrics for our Sequoia Mortgage Banking segment during the three months ended March 31, 2026, the immediate preceding quarter ended December 31, 2025, and year-to-date period through March 31, 2025.

***Table 6 – Sequoia Mortgage Banking Earnings Summary***

| | Three Months Ended | | | Three Months Ended | | |
|---|---|---|---|---|---|---|
| **(In Thousands)** | **March 31, 2026** | **December 31, 2025** | **Change** | **March 31, 2026** | **March 31, 2025** | **Change** |
| Mortgage banking income | $ 47,020 | $ 53,155 | $ (6,135) | 47,020 | $ 36,540 | $ 10,480 |
| Operating expenses | (9,890) | (12,022) | 2,132 | (9,890) | (6,489) | (3,401) |
| Benefit from (provision for) income taxes | 1,245 | (7,309) | 8,554 | 1,245 | (7,191) | 8,436 |
| Dividends on preferred stock | (544) | (495) | (49) | (544) | (406) | (138) |
| Segment Contribution | $ 37,831 | $ 33,329 | $ 4,502 | $ 37,831 | $ 22,454 | $ 15,377 |

Operating expenses presented in the table above include general and administrative expenses and loan acquisition costs for this segment.

Activity at this segment performed within our taxable REIT subsidiary is subject to federal and state income taxes. The provision for income taxes or income tax benefit for the periods presented above reflects GAAP income or loss from these operations at our TRS during the respective periods.

The following table summarizes certain operating metrics related to our portfolio of loans included in the Sequoia Mortgage Banking segment during the three months ended March 31, 2026, the immediate preceding quarter ended December 31, 2025, and year-to-date period through March 31, 2025.

***Table 7 – Sequoia Mortgage Banking Operating Metrics***

| | Three Months Ended | | Three Months Ended | |
|---|---|---|---|---|
| **(In Thousands)** | **March 31, 2026** | **December 31, 2025** | **March 31, 2026** | **March 31, 2025** |
| Loan locks | $ 6,518,133 | $ 5,321,395 | $ 6,518,133 | $ 3,896,497 |
| LPCs entered into (loan locks, adjusted for expected fallout) | 5,498,214 | 4,243,163 | 5,498,214 | 3,236,971 |
| Acquisitions | 5,651,030 | 4,460,628 | 5,651,030 | 2,366,824 |
| Number of loans acquired[1] | 6,658 | 6,676 | 6,658 | 1,993 |
| Weighted average contractual interest rate | 6.39% | 6.12% | 6.39% | 8.29% |
| Distributions | $ 5,504,376 | $ 4,063,983 | $ 5,504,376 | $ 2,044,412 |
| Sales (UPB) | 914,884 | 1,110,665 | 914,884 | 420,513 |
| Securitizations (UPB) | 4,589,492 | 2,953,318 | 4,589,492 | 1,623,900 |
| Cost per loan[2] | 18 bps | 26 bps | 18 bps | 18 bps |
| Gain-on-sale margin[3] | 96 bps | 136 bps | 96 bps | 124 bps |

(1) Number of loans presented in units

(2) Cost per loan for the Sequoia Mortgage Banking segment is calculated as operating expenses of this segment divided by loan purchase commitments of this segment

(3) Gain on Sale margins reflect net revenue divided by loan purchase commitments

***Three Months Ended March 31, 2026 Compared to Three Months Ended December 31, 2025***

Sequoia Mortgage Banking segment results remained stable compared to the prior quarter, with segment contribution of $38 million in the current quarter compared to $33 million in the prior quarter.

Production volumes increased during the quarter, with loan lock volume of $6.5 billion, up from $5.3 billion in the fourth quarter of 2025. These increases were driven by increased activity across both bank and non-bank sellers and continued expansion in sourcing channels and product offerings, including ARM, closed-end second lien (“CES”), and other specialized loan programs.

Higher production volumes were partially offset by lower gain-on-sale margins, which declined to 96 basis points from elevated levels in the prior quarter, reflecting changes in execution mix and market conditions. Margins remained within the Company’s historical target range of 75 to 100 basis points. Operating efficiency improved, with cost per loan declining to 18 basis points compared to 26 basis points in the prior quarter, primarily driven by lower operating expenses, including a decrease in variable compensation of approximately $4 million.

Distribution activity remained robust, with $5.5 billion of loans sold during the quarter, including $4.6 billion through securitizations and $915 million through whole loan sales. Sequoia also completed a record level of securitization activity during the quarter, including its inaugural securitization backed by medical professional loans, reflecting elevated capital markets activity and continued product innovation.

The change from a tax provision in the fourth quarter of 2025 to a tax benefit in the first quarter of 2026 was primarily the result of GAAP income earned at our TRS in the fourth quarter of 2025, compared to a GAAP loss at our TRS in the first quarter of 2026.

Capital allocated to this segment was $500 million at March 31, 2026, compared to $450 million at December 31, 2025, reflecting higher working capital requirements associated with increased loan inventory and securitization activity. The Sequoia platform remains focused on capital-efficient growth through active loan sales and securitizations, supporting our ability to turn capital over quickly. Loan inventory is financed through a combination of corporate capital and consumer loan warehouse facilities.

***Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025***

Sequoia segment contribution increased by $15 million to $38 million during the three months ended March 31, 2026, compared to $22 million in the same period of 2025. The increase was driven by higher mortgage banking income resulting from increased loan lock and purchase volumes, strong distribution activity, and improved capital markets execution, partially offset by normalization in gain-on-sale margins. The change from a tax provision in the first quarter of 2025 to a tax benefit in the first quarter of 2026 for this segment was primarily the result of GAAP income earned at our TRS in the first quarter of 2025, compared to a GAAP loss at our TRS in the first quarter of 2026.

Total loan locks increased 67% year over year to $6.5 billion, reflecting broad-based growth across both flow and bulk channels, supported by deeper engagement with bank sellers and increased activity from independent mortgage banks. Loan acquisition volumes increased to $5.7 billion from $2.4 billion in the prior-year period, reflecting higher lock volumes and improved pull-through. Distribution activity remained robust, with approximately $5.5 billion of loans sold and securitized during the quarter, compared to approximately $2.0 billion in the prior-year period, including $4.6 billion of securitizations and $915 million of whole loan sales. Gain-on-sale margins were 96 basis points, within the Company’s long-term target range of 75 to 100 basis points, compared to elevated levels in the prior-year period driven by favorable market conditions.

*Aspire Mortgage Banking Segment*

The following table presents key earnings for our Aspire Mortgage Banking segment during the three months ended March 31, 2026, the immediate preceding quarter ended December 31, 2025, and year-to-date period through March 31, 2025.

***Table 8 – Aspire Mortgage Banking Earnings Summary***

| | Three Months Ended | | | Three Months Ended | | |
|---|---|---|---|---|---|---|
| (In Thousands) | March 31, 2026 | December 31, 2025 | Change | March 31, 2026 | March 31, 2025 | Change |
| Mortgage banking income | $ 6,326 | $ 8,059 | $ (1,733) | $ 6,326 | $ 50 | $ 6,276 |
| Operating expenses | (3,512) | (3,445) | (67) | (3,512) | (928) | (2,584) |
| (Provision for) income taxes | (342) | (1,094) | 752 | (342) | (70) | (272) |
| Preferred dividends | (204) | (190) | (14) | (204) | (17) | (187) |
| Segment Contribution (Loss) | $ 2,268 | $ 3,330 | $ (1,062) | $ 2,268 | $ (965) | $ 3,233 |

Operating expenses presented in the table above include general and administrative expenses and loan acquisition costs for this segment.

Activity at this segment performed within our taxable REIT subsidiary is subject to federal and state income taxes. The provision for income taxes for the periods presented above resulted from GAAP income from these operations at our TRS during that period.

The following table summarizes certain operating metrics related to our portfolio of loans included in the Aspire Mortgage Banking segment during the three months ended March 31, 2026, the immediate preceding quarter ended December 31, 2025, and year-to-date period through March 31, 2025.

***Table 9 – Aspire Mortgage Banking Operating Metrics***

| | Three Months Ended | | Three Months Ended | |
|---|---|---|---|---|
| (In Thousands) | March 31, 2026 | December 31, 2025 | March 31, 2026 | March 31, 2025 |
| Loan locks | $ 1,562,381 | $ 1,486,981 | $ 1,562,381 | $ 111,129 |
| LPCs entered into (loan locks, adjusted for expected fallout) | 1,156,679 | 1,068,266 | 1,156,679 | 66,861 |
| Acquisitions | 1,069,615 | 1,051,399 | 1,069,615 | 15,144 |
| Number of loans acquired[(1)] | 1,769 | 1,790 | 1,769 | 16 |
| Weighted average contractual interest rate | 6.87% | 7.02% | 6.87% | 7.52% |
| Distributions | $ 1,046,941 | $ 724,559 | $ 1,046,941 | $ — |
| Sales (UPB) | 655,664 | 724,559 | 655,664 | — |
| Securitizations (UPB) | 391,277 | — | 391,277 | — |
| Cost per loan[(2)] | 30 bps | 32 bps | 30 bps | 83 bps |
| Gain-on-sale margin[(3)] | 73 bps | 92 bps | 73 bps | — |

(1) Number of loans presented in units

(2) Cost per loan for the Aspire Mortgage Banking segment is calculated as operating expenses of this segment divided by loan purchase commitments of this segment

(3) Gain on Sale margins reflect net revenue divided by loan purchase commitments

***Three Months Ended March 31, 2026 Compared to Three Months Ended December 31, 2025***

Aspire Mortgage Banking is presented as a separate reportable segment beginning in the first quarter of 2026, reflecting the continued growth and distinct operating characteristics of our expanded-credit residential platform. This change had no impact on the consolidated financial statements and all prior period amounts were conformed to the current presentation.

During the three months ended March 31, 2026, Aspire generated segment contribution of $2 million and continued to scale its origination platform, with lock volume of $1.6 billion. Growth was supported by increasing demand for non-QM loan products and expansion of the platform's loan seller network, which included approximately 140 active sellers. Existing sellers accounted for approximately 70% of production during the period, reflecting a strong base of counterparties, including those actively selling loans to our Sequoia platform.

Mortgage banking income was impacted by lower gain-on-sale margins, which declined to 73 basis points from 92 basis points in the prior quarter, reflecting changes in execution mix and market conditions partially driven by volatility at the end of the first quarter. Operating expenses increased modestly during the period, reflecting continued investment in the platform's growth. Despite this increase, operating efficiency improved, with cost per loan declining compared to the prior quarter as a result of higher production volumes and operating leverage.

Distribution activity increased during the quarter, with $1.0 billion of loans sold through a combination of securitizations and whole loan sales, representing a 44% increase compared to the prior quarter. Aspire completed its inaugural $391 million non-QM securitization during the quarter, representing an important milestone in establishing its capital markets execution and funding diversification capabilities. The transaction was supported by strong investor demand and included a co-sponsorship structure through which we syndicated the risk retention and subordinate securities issued out of the transaction.

Results for the quarter reflect continued growth in production volumes and platform scale, partially offset by normalization in margins and ongoing investment in personnel, infrastructure, and distribution capabilities.

Capital allocated to this segment was $200 million at March 31, 2026, consistent with December 31, 2025. The Aspire platform remains focused on scaling its origination capabilities while maintaining a disciplined approach to capital deployment and expenses. Loan inventory is financed through consumer loan warehouse facilities and corporate capital.

***Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025***

Aspire was launched in January 2025, and as a result, activity during the three months ended March 31, 2025 reflects an initial ramp-up period, including limited production, early onboarding of loan sellers, and is not directly comparable to the current quarter. During the three months ended March 31, 2026 Aspire locked $1.6 billion of loans compared to $111 million in the prior-year period. The increase in volume in the three month periods primarily reflect the continued scaling of the platform, driven by expansion of its loan seller network and increasing investor demand for non-QM products.

*CoreVest Mortgage Banking Segment*

The following table presents an earnings summary for our CoreVest Mortgage Banking segment for the three months ended March 31, 2026, the immediate preceding quarter December 31, 2025, and year-to-date period March 31, 2025.

***Table 10 – CoreVest Mortgage Banking Earnings Summary***

| | Three Months Ended | | | Three Months Ended | | |
|---|---|---|---|---|---|---|
| (In Thousands) | March 31, 2026 | December 31, 2025 | Change | March 31, 2026 | March 31, 2025 | Change |
| Mortgage banking income | $ 12,489 | $ 18,277 | $ (5,788) | $ 12,489 | $ 15,364 | $ (2,875) |
| Operating expenses | (17,840) | (13,580) | (4,260) | (17,840) | (14,657) | (3,183) |
| Benefit from income taxes | 2,061 | 2,260 | (199) | 2,061 | 648 | 1,413 |
| Preferred Dividends | (87) | (113) | 26 | (87) | (67) | (20) |
| Segment (Loss) Contribution | $ (3,377) | $ 6,844 | $ (10,221) | $ (3,377) | $ 1,288 | $ (4,665) |

Operating expenses presented in the table above include general and administrative expenses, loan acquisition costs and other expenses (including amortization of purchase intangibles) for this segment.

Activity at this segment performed within our TRS is subject to federal and state income taxes. The benefit from income taxes was primarily due to GAAP losses generated by this segment's operations at our TRS in those periods presented above.

The following table summarizes certain operating metrics related to our portfolio of loans included in the CoreVest Mortgage Banking segment during the three months ended March 31, 2026, to the immediate preceding quarter December 31, 2025, and year-to-date period through March 31, 2025.

***Table 11 – CoreVest Mortgage Banking Operating Metrics***

| | Three Months Ended | | Three Months Ended | |
|---|---|---|---|---|
| (In Thousands) | March 31, 2026 | December 31, 2025 | March 31, 2026 | March 31, 2025 |
| Term loan fundings | $ 167,590 | $ 210,791 | $ 167,590 | $ 188,218 |
| Bridge loan fundings | 264,832 | 249,367 | 264,832 | 293,492 |
| **Total loan fundings** | **432,422** | **460,158** | **432,422** | **481,710** |
| Term loan sales | 129,299 | 40,601 | 129,299 | 96,110 |
| Bridge loan sales | 104,272 | 343,334 | 104,272 | 21,540 |
| Transfer to joint ventures | 387,030 | 198,336 | 387,030 | 253,062 |
| Transfer to securitizations | 73,489 | — | 73,489 | 50,618 |
| **Total Loan distributions** | **694,090** | **582,271** | **694,090** | **421,330** |
| Securitizations (UPB) | 230,241 | 220,006 | 230,241 | 94,001 |
| Net cost to originate [(1)] | 0.79 % | 0.95 % | 0.79 % | 1.22 % |

(1) Net Cost to Originate is calculated as operating expenses, adjusted for organizational restructuring charges associated with employee severance and related transition expenses, less origination fees and other fees attributable to this segment, divided by this segment's funding volume.

***Three Months Ended March 31, 2026 Compared to Three Months Ended December 31, 2025***

CoreVest Mortgage Banking segment contribution decreased by $10 million during the three months ended March 31, 2026 compared to the three months ended December 31, 2025, with segment loss of $3 million in the current quarter compared with segment net income of $7 million in the prior quarter. The decrease in segment contribution was primarily attributable to lower gain-on-sale margins, reduced funding volumes and approximately $5 million of severance and organizational restructuring costs.

CoreVest funded $432 million of loans during the first quarter of 2026, compared to $460 million in the fourth quarter of 2025. The decline in funding volume reflects a more cautious approach to loan origination late in the quarter in response to market volatility and evolving demand from real estate investors. Funding activity remained diversified, composed of approximately 61% bridge loans and 39% term loans, and continued contribution from small-balance lending products, including RTL loans and DSCR loans.

Mortgage banking income was impacted by lower gain-on-sale margins compared to the prior quarter, reflecting normalization in market conditions and changes in execution mix. Operating efficiency improved during the quarter, with net cost to originate improving to 0.79% in the first quarter compared to 0.95% in the prior quarter. This improvement reflects continued operating leverage and expense discipline.

Distribution activity increased during the first quarter of 2026, with $694 million of loans distributed through a combination of whole loan sales, securitizations and sales to joint ventures, compared to $582 million in the fourth quarter of 2025, representing a 19% increase. CoreVest also completed a CAFL securitization during the quarter backed by a mix of seasoned performing and non-performing loans and real estate owned, supporting continued capital recycling and distribution execution.

Capital allocated to this segment was $142 million at March 31, 2026, compared to $145 million at December 31, 2025. The platform continues to utilize joint venture structures and non-recourse financing arrangements to support loan inventory and facilitate capital-efficient growth.

***Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025***

CoreVest Mortgage Banking segment contribution decreased by $5 million during the three months ended March 31, 2026 compared to the three months ended March 31, 2025, with a segment loss of $3 million in the current quarter compared to segment net income of $1 million in the prior year period. The decrease in segment contribution was primarily attributable a $3 million decline in mortgage banking income, reflecting lower funding volumes in the first quarter of 2026. CoreVest funded $432 million of loans during the first quarter of 2026, compared to $482 million in the first quarter of 2025. The decline in funding volume reflects lower origination activity relative to the first quarter of 2025. The lower funding volume was attributable to reduced origination activity, driven by a more cautious approach to loan production late in the quarter in response to market volatility and evolving demand from real estate investors, whereas the prior-year period benefited from stronger borrower demand for term and bridge loans.

***Redwood Investments Segment***

This segment consists of investments comprising retained operating investments sourced through our Mortgage Banking securitizations and third-party securities, some of which we consolidate for GAAP purposes. We directly finance our holdings of real estate securities with a combination of recourse, non-marginable term debt financing, non-recourse, non-marginable re-securitization debt, and recourse, marginable securities repurchase financing.

In the second quarter of 2025, as a part of the Company's accelerated shift towards a scalable and simplified operating model, the non-core legacy assets historically held in this segment were formally reclassified to the newly established Legacy Investments segment. This reclassification did not impact our consolidated financial results but served to better align Redwood's disclosure with its strategic focus. All relevant prior period amounts and disclosures have been conformed to reflect the current segment structure.

We primarily target investments with sensitivity to housing credit risk, sourced through our operating platforms where we control the underwriting and collateral review. The Redwood Investments portfolio is increasingly focused on retained interests from the Company's own securitizations and other internally sourced investment vehicles, as we continue to scale our mortgage banking platforms and allocate capital to investments generated through those activities. This shift has resulted in a portfolio increasingly concentrated in investments sourced through our Mortgage Banking platforms and is consistent with our strategy to enhance capital efficiency and align our investment portfolio with our core operating businesses.

This segment's main sources of income are net interest income (including interest expense on secured financings and allocated corporate financing costs) and other income from investments, changes in fair value of investments and associated hedges, and realized gains and losses upon the sale of securities. Direct operating expenses and tax provisions associated with these activities are also included in this segment.

The following table presents an earnings summary for our Redwood Investments segment for the three months ended March 31, 2026, the immediate preceding quarter ended December 31, 2025, and the year-to-date period ended March 31, 2025.

***Table 12 – Redwood Investments Earnings Summary***

| | Three Months Ended | | | Three Months Ended | | |
|---|---|---|---|---|---|---|
| **(In Thousands)** | **March 31, 2026** | **December 31, 2025** | **Change** | **March 31, 2026** | **March 31, 2025** | **Change** |
| Net interest income | $ 12,442 | $ 14,879 | $ (2,437) | $ 12,442 | $ 16,524 | $ (4,082) |
| Investment fair value changes, net | (15,443) | 7,619 | (23,062) | (15,443) | 3,543 | (18,986) |
| HEI income, net | 575 | 493 | 82 | 575 | 55 | 520 |
| Servicing income | 8,021 | 3,562 | 4,459 | 8,021 | 3,407 | 4,614 |
| Fee income, net | 192 | 198 | (6) | 192 | 142 | 50 |
| Other income, net | 898 | 849 | 49 | 898 | 507 | 391 |
| Realized gains, net | — | — | — | — | 567 | (567) |
| Operating expenses | (12,654) | (10,045) | (2,609) | (12,654) | (5,637) | (7,017) |
| (Provision for) Benefit from income taxes | (1,373) | (1,834) | 461 | (1,373) | 304 | (1,677) |
| Preferred Dividends | (658) | (551) | (107) | (658) | (552) | (106) |
| Segment (Loss) Contribution | $ (8,000) | $ 15,170 | $ (23,170) | $ (8,000) | $ 18,860 | $ (26,860) |

Investment fair value changes, net is primarily comprised of the change in fair value (both realized and unrealized) of our portfolio investments accounted for under the fair value option and interest rate hedges associated with these investments. See *Table 3* in *the Consolidated Results of Operations* in Part I, Item 2 of this Quarterly Report on Form 10-Q for further detail on the composition of investment fair value changes (the difference in amounts in the table above and in *Table 3* relates to fair value changes for investments held at corporate/other).

We hold certain of our investments, primarily our MSRs, at our TRS. Activity at this segment performed within our TRS is subject to federal and state income taxes. The benefit from income taxes was primarily due to GAAP losses generated by this segment's operations at our TRS and our provision for income taxes at this segment is primarily driven by the amount of income earned from portfolio assets at our TRS.

***Three Months Ended March 31, 2026 Compared to Three Months Ended December 31, 2025***

The $23 million decrease in segment contribution for the three months ended March 31, 2026, compared to the three months ended December 31, 2025, was primarily driven by $15 million of negative investment fair value changes in the current quarter, compared to $8 million of positive fair value changes in the prior quarter. The current-quarter valuation changes primarily reflected unrealized market-driven changes (including widening of credit spreads) on portfolio investments and related hedges, driven by interest rate volatility and spread movements.

Overall, results for the quarter were primarily impacted by market-driven valuation changes and portfolio seasoning, while underlying asset performance remained generally stable across most of the portfolio. Delinquencies in CAFL Bridge Securities increased, with 90 day+ delinquency rates rising to 8.1% in the first quarter of 2026 from 4.3% in the fourth quarter of 2025. The increase in 90+ day delinquencies for CAFL Bridge Securities was primarily driven by seasoned loans originated in 2021 and 2022, which accounted for 58% of the rise. The higher delinquency rate was further amplified by a lower total outstanding balance in the first quarter of 2026. In contrast, 90 day + delinquency balances for Sequoia Securities and CAFL Term Securities improved modestly to 0.2% and 9.8% of total unpaid principal balances, respectively, compared to 0.3% and 10.1% in the prior quarter.

Net interest income decreased modestly by $2 million, primarily reflecting lower balances of third-party securities due to portfolio repositioning and paydowns, partially offset by income generated from retained operating investments sourced through our mortgage banking platforms.

Servicing income increased by $4 million compared to the prior quarter, reflecting valuation benefits from higher interest rates observed in the first quarter of 2026, while other income streams remained relatively stable.

As we continue to expand our focus on our operating platforms, we intend to allocate capital accordingly. In line with this strategy, during the first quarter we deployed approximately $50 million of capital into retained investments created from our Mortgage Banking securitization activity. We also continue to optimize financing through non-recourse structures, consistent with our strategy to enhance capital efficiency and align the investment portfolio with our mortgage banking platforms.

***Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025***

The $27 million decrease in segment contribution for the three months ended March 31, 2026, as compared to the three months ended March 31, 2025 is primarily due to the decline in Investment fair value changes, net of $19 million driven by market-related valuation changes on portfolio investments and associated hedges resulting from interest rate volatility and spread movements during the three month periods.

***Redwood Investments Detail***

The following table presents a balance sheet summary for our Redwood Investments segment as of March 31, 2026 and December 31, 2025.

***Table 13 – Redwood Investments Balance Sheet Summary***

| **(In Thousands)** | **March 31, 2026** | **December 31, 2025** | **Change** |
|---|---|---|---|
| Retained Operating Investments | | | |
| Residential consumer Sequoia securities | $ 177,546 | $ 137,598 | $ 39,948 |
| Residential consumer securities at consolidated Sequoia entities (1) | 660,861 | 588,502 | 72,359 |
| Residential investor securities at consolidated Securitization Term entities (2) | 315,654 | 330,212 | (14,558) |
| Consolidated securitized residential investor CAFL bridge loans, restricted cash, REO and other CAFL bridge assets and liabilities | 1,057,220 | 1,246,352 | (189,132) |
| HEI (3) | 18,706 | 15,768 | 2,938 |
| Other Investments (4) | 55,243 | 51,031 | 4,212 |
| Total Retained Operating Investments | 2,285,230 | 2,369,463 | (84,233) |
| | | | |
| Third-Party Securities Portfolio | | | |
| Residential securities | 4,920 | — | 4,920 |
| Servicing investments (5) | 112,277 | 110,134 | 2,143 |
| Other strategic and servicing investments | 52,994 | 48,246 | 4,748 |
| Total Third-Party Securities Portfolio | 170,191 | 158,380 | 11,811 |
| | | | |
| Total Redwood Investments Segment Economic Assets | $ 2,455,421 | $ 2,527,843 | $ (72,422) |
| Impact of consolidation and other assets | 19,448,064 | 16,261,726 | 3,186,338 |
| Total Redwood Investments Segment Assets - GAAP | $ 21,903,485 | $ 18,789,569 | $ 3,113,916 |

(1) Represents our retained economic investment in securities issued by consolidated Sequoia securitization VIEs. For GAAP purposes, we consolidated $18.24 billion of loans and $17.24 billion of ABS issued associated with these investments at March 31, 2026. We consolidated $14.84 billion of loans and $14.12 billion of ABS issued associated with these investments at December 31, 2025. At March 31, 2026 and December 31, 2025, excludes $343 million and $134 million, respectively, of retained Sequoia securities that were used as hedges for our Sequoia Mortgage Banking segment.

(2) Represents our retained economic investments in securities issued by consolidated CAFL Term securitization VIEs. For GAAP purposes, we consolidated $1.82 billion of loans and $1.53 billion of ABS issued associated with these investments at March 31, 2026. We consolidated $1.99 billion of loans and $1.68 billion of ABS issued associated with these investments at December 31, 2025.

(3) At March 31, 2026 and December 31, 2025 represents HEI originated and owned by Redwood.

(4) Other investments at both March 31, 2026 and December 31, 2025 includes net risk share investments of $15 million, representing $16 million of restricted cash and other assets, net of other liabilities of $1 million. Also includes mortgage servicing rights of $40 million and $33 million at March 31, 2026 and December 31, 2025, respectively.

(5) Represents our economic investment in consolidated Servicing Investment variable interest entities. At March 31, 2026, for GAAP purposes, we consolidated $257 million of servicing investments and $135 million of non-recourse short-term securitization debt, as well as other assets and liabilities for these entities. At December 31, 2025, for GAAP purposes, we consolidated $266 million of servicing investments and $152 million of non-recourse securitization debt, as well as other assets and liabilities for these entities.

The size of our Redwood Investments portfolio on an economic basis declined slightly for the three months ended March 31, 2026. The retention of residential consumer securities from our eight Sequoia securitizations during the three months ended March 31, 2026, was offset by a decline in our securitized and unsecuritized residential investor bridge loans due to sales and principal payments exceeding new bridge loan originations.

The following table summarizes the credit characteristics of Sequoia securities and CAFL term securities at March 31, 2026 and December 31, 2025. This table includes both our securities held on balance sheet and our economic interest in securities we own in securitizations we consolidate in accordance with GAAP.

***Table 14 – Credit Statistics*** [(1)]

**March 31, 2026**

| (Dollars in Thousands) | Sequoia Securities [(2)] | CAFL Term Securities |
|---|---|---|
| Market value | $ 838,407 | $ 315,654 |
| Notional value | $ 21,235,883 | $ 1,945,306 |
| Average FICO (at origination) | 772 | NA |
| Gross weighted average coupon | 5.4 % | 5.3 % |
| Current 3-month prepayment rate | 16 % | 8 % |
| 90+ days delinquency (as a % of UPB) [(3)(4)] | 0.2 % | 9.8 % |

**December 31, 2025**

| (Dollars in Thousands) | Sequoia Securities [(2)] | CAFL Term Securities |
|---|---|---|
| Market value | $ 726,100 | $ 330,212 |
| Notional value | $ 17,853,335 | $ 2,083,080 |
| Average FICO (at origination) | 771 | NA |
| Gross weighted average coupon | 5.3 % | 5.3 % |
| 3-month prepayment rate | 21 % | 16 % |
| 90+ days delinquency (as a % of UPB) [(3)(4)] | 0.3 % | 10.1 % |

(1) Underlying loan performance information provided in this table is generally reported on a one-month lag. Accordingly, data as of March 31, 2026 reflects March 2026 reports with a loan performance date of February 2026, and data as of December 31, 2025 reflects December 2025 reports with a loan performance date of November 2025. The methodology for calculating weighted average values for securities investments presented in the tables above, including delinquency rates, is based on notional balances of loans collateralizing each of our securities investments.

(2) Sequoia Securities presented in this table include subordinate and interest only or certificated servicing securities.

(3) Delinquency percentages at underlying securitizations are calculated using unpaid principal balance ("UPB"). Aggregate delinquency amounts by security type are weighted using the notional value of the loans collateralizing each of our securities investments.

(4) Includes loans over 90 days delinquent and all loans in foreclosure (regardless of delinquency status).

***Legacy Investments Segment***

The Legacy Investments segment primarily consists of assets no longer aligned with our core strategic objectives, including legacy unsecuritized bridge and term loans, residential re-performing loan securities and other non-core Legacy assets, that are in the active process of sale, runoff, or other disposition as part of an accelerated strategic repositioning of our business model. These assets were previously included within the Redwood Investments segment. We finance our assets in this segment with a combination of recourse and non-recourse, non-marginable warehouse facilities, and a portion of a secured, revolving financing facility. All relevant prior period amounts and disclosures have been conformed to reflect the current segment structure. At March 31, 2026, 55% of capital in this portfolio was related to Legacy Bridge Loans (inclusive of certain unsecuritized term loans) and 45% was related to Legacy HEI. During the first quarter of 2026, we continued to execute on our plan to accelerate the wind down of the Legacy Investments portfolio to support capital redeployment and a reduction in portfolio exposure. Segment capital allocation decreased to 15% of total invested capital, compared to 19% at December 31, 2025.

The continued wind-down of our Legacy Investments portfolio is expected to continue to free up investment capital as we progress with further disposition activity. Asset sales and other accretive financings have enabled the repayment of higher cost secured debt and more efficient utilization of flexible funding sources, including our secured revolving financing facility with one of our joint venture partners. We remain focused on further reducing the legacy portfolio in 2026 while prioritizing maximum recovery through both outright sales and partnership structures that recycle capital while preserving upside where we believe it makes economic sense.

This segment's earnings are primarily driven by net interest income (including interest expense on secured financings and allocated corporate financing costs) and other income from investments, changes in the fair value of investments and associated hedges, and realized gains and losses upon the sale or disposition of assets. Direct operating expenses and tax provisions associated with these activities are also included in this segment.

The following table presents an earnings summary for our Legacy Investments segment for the three months ended March 31, 2026, the immediate preceding quarter ended December 31, 2025, and the year-to-date period ended March 31, 2025.

***Table 15 – Legacy Investments Earnings Summary***

| | Three Months Ended | | | Three Months Ended | | |
|---|---|---|---|---|---|---|
| **(In Thousands)** | **March 31, 2026** | **December 31, 2025** | **Change** | **March 31, 2026** | **March 31, 2025** | **Change** |
| Net interest (loss) income | $ (8,710) | $ (12,234) | $ 3,524 | $ (8,710) | $ (4,700) | $ (4,010) |
| Investment fair value changes, net | (7,491) | (8,125) | 634 | (7,491) | (8,731) | 1,240 |
| HEI income, net | 6,534 | 2,497 | 4,037 | 6,534 | 10,111 | (3,577) |
| Fee (loss) income, net | (133) | (105) | (28) | (133) | (870) | 737 |
| Other income (loss), net | 950 | (559) | 1,509 | 950 | — | 950 |
| Realized (losses) gains, net | — | (1,767) | 1,767 | — | — | — |
| Operating expenses | (4,563) | (2,004) | (2,559) | (4,563) | (4,447) | (116) |
| Benefit from (provision for) income taxes | 610 | (194) | 804 | 610 | — | 610 |
| Dividends on preferred stock | (257) | (409) | 152 | (257) | (708) | 451 |
| Segment (Loss) Contribution | $ (13,060) | $ (22,900) | $ 9,840 | $ (13,060) | $ (9,345) | $ (3,715) |

Investment fair value changes, net is primarily comprised of the change in fair value (both realized and unrealized) of our loans and portfolio investments accounted for under the fair value option and related interest rate hedges. See *Table 3* in *the Consolidated Results of Operations* in Part I, Item 2 of this Quarterly Report on Form 10-Q for further detail on the composition of investment fair value changes (the difference in amounts in the table above and in *Table 3* relates to fair value changes for investments held at corporate/other).

We hold certain of our investments at our TRS. Activity of this segment that is performed within our TRS is subject to federal and state income taxes. The benefit from income taxes was primarily due to GAAP losses generated by this segment's operations at our TRS and our provision for income taxes at this segment is primarily driven by the amount of income earned from portfolio assets at our TRS.

***Three Months Ended March 31, 2026 Compared to Three Months Ended December 31, 2025***

Legacy Investments reported a segment loss of $13 million for the first quarter of 2026, compared to a loss of $23 million in the fourth quarter of 2025, representing an improvement of $10 million. The improvement in segment loss was primarily driven by higher HEI income, net and lower net interest expense.

Net interest (loss) income improved by $4 million, primarily reflecting the continued runoff of legacy assets which reduced our allocation of corporate financing costs, and lower secured financing costs on our legacy bridge loans, a portion of which were included in an accretive secured financing structure during the quarter. These benefits were partially offset by a higher balance of loans on non-accrual status in the first quarter of 2026 compared to the fourth quarter of 2025.

Investment fair value changes, net improved modestly compared to the prior quarter, as valuation impacts stabilized. HEI income, net increased by $4 million, driven by improved liquidity in the asset class, including through securitization.

Operating expenses associated with ongoing asset management, resolution activities, and disposition efforts increased $3 million during the first quarter of 2026. The increase is primarily related to asset specific costs on REO that were largely offset by associated rental income included in other income in this segment.

Results for the quarter continue to reflect the active wind-down of the Legacy Investments portfolio, including asset sales, structured transactions, and financing optimization. Capital allocated to Legacy Investments declined by $64 million or 21%, reflecting continued execution on our strategy to reduce legacy exposure and redeploy capital to Mortgage Banking platforms to simplify the balance sheet and enhance returns. While subject to market conditions and execution timing, we are targeting reducing the capital allocated to Legacy Investments segment down to below $100 million by the end of 2026. As we execute on this reallocation strategy, we believe there is an opportunity for consolidated returns to improve.

***Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025***

Legacy Investments reported a segment loss of $13 million for the first quarter of 2026, compared to a loss of $9 million in the first quarter of 2025, primarily due to a $4 million decline in net interest income. The decrease in net interest income was driven by a reduced investment balance resulting from asset sales and dispositions over the past 12 months, combined with higher financing costs stemming from increased secured debt and a greater proportion of loans on non-accrual status.

***Legacy Investments Detail and Activity***

The following table presents a balance sheet summary for our Legacy Investments segment as of March 31, 2026 and December 31, 2025.

***Table 16 – Legacy Investments Balance Sheet Summary***

| **(In Thousands)** | **March 31, 2026** | **December 31, 2025** | **Change** |
|---|---|---|---|
| Legacy Unsecuritized Bridge Loans | $ 190,058 | $ 242,162 | $ (52,104) |
| Legacy Unsecuritized Term Loans | 31,899 | 44,157 | (12,258) |
| Legacy Securitized Bridge Loans | 53,848 | — | 53,848 |
| Legacy Securitized Term Loans | 12,832 | — | 12,832 |
| Home Equity Investments [(1)] | 153,715 | 148,452 | 5,263 |
| AFS Real Estate Security [(2)] | 188,636 | 181,736 | 6,900 |
| Strategic Investments | 15,138 | 16,519 | (1,381) |
| REO | 69,952 | 91,174 | (21,222) |
| Other Assets | 60,265 | 53,433 | 6,832 |
| Economic Value of Legacy Investments | 776,343 | 777,633 | (1,290) |
| Impact of Consolidation, net | 168,678 | 165,663 | 3,015 |
| Total Assets | $ 945,021 | $ 943,296 | $ 1,725 |

(1) At March 31, 2026 and December 31, 2025, represents third-party originated HEI, as well as our net investment in a HEI securitization entity.

(2) During the year ended December 31, 2025 we sold a portfolio totaling $484 million in fair value of legacy unsecuritized bridge loans and REO assets to the Legacy Trust and retained a $182 million subordinate beneficial interest in the Legacy Trust. The beneficial interest represents our right to residual cash flows from the Legacy Trust after payment of senior financing and preferred interests and is recorded as an AFS security, measured at fair value and classified as a Level 3 asset. During three months ended March 31, 2026, we funded an additional $10 million of our total $35 million capital support commitment related to maintaining specified loan-to-value ratio thresholds of the Legacy Trust.

During the first quarter of 2026, we completed a $225 million CAFL securitization backed by a mix of performing, re-performing and non-performing bridge loans and REO. The collateral included $223 million of loans and $38 million of REO, primarily sourced from our called CAFL securitizations issued between 2021 and 2023. The securitization also included $66 million of loans and $19 million of REO from our Legacy Investments portfolio. This transaction contributed to the financing efficiency of legacy assets, facilitated the redeployment of capital into our core operating platforms and, through its securitization structure, provides the flexibility to sell loans and further reduce legacy exposures over time. See further discussion of this securitization in *Note 17* in Part 1, Item 1 - Financial Statements.

We also continued to make progress in resolving legacy bridge exposures, including the resolution of approximately $4 million of 90+ day delinquent loans and the sale of approximately $34 million of REO during the quarter.

*Loan Composition*

The following table provides the composition of legacy term and bridge loans by product type at March 31, 2026.

***Table 17 – Legacy Loans By Product Type at Legacy Investments at Fair Value***

| **March 31, 2026**<br>**(In Thousands)** | **Unsecuritized Term** | **Unsecuritized Bridge** |
|---|---|---|
| **Term** | | |
| Term Loans: | | |
| Single-Family Rental | $ 1,035 | $ — |
| Multifamily [1] | 43,696 | — |
| **Bridge** | | |
| Bridge Loans: | | |
| BFR [2] | — | 82,010 |
| Single Asset Bridge | — | 668 |
| Multifamily [1] | — | 158,935 |
| Other | — | 2,293 |
| **Total Legacy Loans** | $ 44,731 | $ 243,906 |

(1) Includes loans for predominantly light to moderate rehabilitation projects on multifamily properties.

(2) Includes loans to finance acquisition and/or stabilization of existing housing stock for light to moderate renovation or to finance new construction of residential properties for rent.

At March 31, 2026, the fair value of our legacy bridge and term loans and associated REO represented 91.5% of the combined unpaid principal balance of these loans and the unpaid principal balance of the loans at the time the REO were foreclosed. As part of our plans to accelerate the wind-down of the Legacy Investments portfolio, we have revised our underwriting practices to discontinue the active origination of large multifamily loans. Consequently, we expect our exposure to multifamily loans and REO to decline over time as we proactively reduce long-term exposure to the legacy bridge loan portfolio.

**Income Taxes**

***REIT Status and Dividend Characterization***

While the exact amount is uncertain at this time, a portion of our 2026 common and preferred stock dividend distributions may be taxable as ordinary income for federal income tax purposes. Any remaining amount is expected to be characterized as a return of capital, which in general is nontaxable (provided it does not exceed a shareholder's tax basis in Redwood shares) and reduces a shareholder's basis in Redwood shares (but not below zero). To the extent such distributions exceed a shareholder's basis in Redwood shares, such excess amount would be taxable as capital gains. Under the federal income tax rules applicable to REITs, none of Redwood's 2026 dividend distributions are currently expected to be characterized as long-term capital gain dividends. The income or loss generated at our TRS will not directly affect the tax characterization of our 2026 dividends; however, any dividends paid from our TRS to our REIT would allow a portion of our REIT's dividends to be classified as qualified dividends.

***Tax Provision under GAAP***

For the three months ended March 31, 2026 and 2025, we recorded a tax benefit of $3 million and a tax provision of $6 million, respectively. Our tax provision is primarily derived from the activities at our TRS, as we do not book a material tax provision associated with income generated at our REIT. The change from a tax provision to a tax benefit year-over-year was primarily the result of GAAP income earned at our TRS in the first quarter of 2025 compared to a GAAP loss at our TRS in the first quarter of 2026. Refer to Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025 under the caption *Income Taxes* for additional information regarding our tax provision and deferred tax assets.

**LIQUIDITY AND CAPITAL RESOURCES**

**Summary**

In addition to the proceeds from equity and debt capital-raising transactions, our principal sources of cash and liquidity consist of borrowings under mortgage loan, MSR and HEI warehouse facilities, secured term financing facilities, securities repurchase agreements, a corporate secured revolving financing facility, payments of principal and interest we receive from our investment portfolio assets, proceeds from the sale of investment portfolio assets, and cash generated from our mortgage banking operating activities, such as the sale and securitization of mortgage loans.

Our most significant uses of cash are to purchase and originate mortgage loans for our mortgage banking platforms, including financing loans held for sale and managing hedges associated with those activities; to purchase investment securities and make other investments; to repay principal and interest on our debt, including warehouse and other recourse borrowings as loans are sold or securitized; to meet margin calls associated with our debt, interest rate hedges and other obligations; to make dividend payments on our capital stock; to fund draws on our bridge loan portfolio and other commitments when requested; to fund our operations; and from time to time, to repurchase shares of our common stock, outstanding debt securities, and convertible debt.

At March 31, 2026, our total capital was $1.73 billion, consisting of (i) $957 million of equity capital, (ii) $769 million of convertible notes and other corporate debt on our consolidated balance sheets ($297 million of convertible debt due in June 2027, $143 million of senior unsecured notes due in 2029, $189 million of senior unsecured notes due in 2030, $140 million of trust-preferred securities due in 2037), and (iii) $8 million of promissory notes.

Our capital structure continues to reflect the strategic shift toward mortgage banking, which is characterized by faster capital turnover and an originate-to-distribute model. Approximately 63% of our recourse debt is concentrated within our mortgage banking platforms, where loans typically remain on balance sheet for a short duration and related borrowings are repaid as loans are sold or securitized, supporting rapid recycling of our capital for subsequent reinvestment.

At March 31, 2026, our unrestricted cash and cash equivalents were $202 million. While we believe our available cash is sufficient to fund our operations, we may raise equity or debt capital from time to time to increase our unrestricted cash and liquidity, to repay existing debt, to make long-term portfolio investments, to fund strategic acquisitions and investments, or for other purposes. In particular, we continue to focus on additional joint ventures with strategic investors who seek to acquire the assets our operations originate and source and/or seek to provide capital to support the growth potential of our operating platforms. To the extent we seek to raise additional capital, our approach will continue to be based on what we believe to be in the best interests of the Company.

In the discussion that follows and throughout this document, we distinguish between marginable and non-marginable debt and recourse and non-recourse debt. Refer to the section set forth below under the heading "*Risks Relating to Debt Incurred under Borrowing Facilities*" for additional information regarding these terms on our debt.

At March 31, 2026, in aggregate, we had $3.90 billion of secured recourse debt outstanding, financing our mortgage banking platforms and investment portfolio, of which $3.02 billion was marginable and $874 million was non-marginable. The majority of this debt relates to short-term warehouse financing supporting our Sequoia and Aspire mortgage banking platforms, where capital turns rapidly, with loans remaining on balance sheet for an average of approximately 26 days before being sold or securitized

We are subject to risks relating to our liquidity and capital resources, including risks relating to incurring debt under loan warehouse facilities, securities repurchase facilities, other short- and long-term debt facilities and other risks relating to our corporate debt and use of derivatives, predominately those that hedge our mortgage banking activities. A further discussion of these risks is set forth below under the heading *"Risks Relating to Debt Incurred under Borrowing Facilities."*

**Cash Flows and Liquidity for the Three Months Ended March 31, 2026**

Cash flows from our mortgage banking activities and our investments can be volatile from quarter to quarter depending on many factors, including the timing and amount of loan originations, acquisitions, sales and profitability within our mortgage banking platforms, the timing and amount of securities acquisitions, sales and repayments, as well as changes in interest rates, prepayments, and credit losses. Therefore, cash flows generated in the current period are not necessarily reflective of the long-term cash flows we will receive from these operating or investment activities.

***Cash Flows from Operating Activities***

Cash flows used in operating activities increased by $2.56 billion from negative $1.95 billion in the three months ended March 31, 2026 to negative $4.51 billion in the three months ended March 31, 2026, primarily due to the increase in residential consumer loan purchases associated with our mortgage banking activities. Excluding cash flows from the purchase, origination, sale and principal payments of loans classified as held-for-sale, and the settlement of associated derivatives (which cumulatively totaled $4.44 billion of net cash outflows for the three month 2026 period, compared to $2.08 billion of net cash outflows for the three month 2025 period), cash flows from operating activities were negative $70 million during the first three months of 2026 and positive $127 million for the first three months of 2025.

***Cash Flows from Investing Activities***

During the three months ended March 31, 2026, our net cash provided by investing activities was $1.23 billion and primarily resulted from proceeds from principal payments on loans held-for-investment and other investments, in excess of cash deployed into these investments. Because many of our investment securities, loans and HEI are financed through various borrowing agreements, a significant portion of the proceeds from any sales or principal payments of these assets are generally used to repay balances under these financing sources. Similarly, all or a significant portion of cash flows from principal payments of loans and HEI at consolidated securitization entities would generally be used to repay ABS issued by those entities.

***Cash Flows from Financing Activities***

During the three months ended March 31, 2026, our net cash provided by financing activities was $3.12 billion. This primarily resulted from $3.09 billion of net borrowings under ABS issued (resulting from the issuance of eight Sequoia securitizations as well as the issuance of ABS through one Sequoia re-securitization of certain consolidated and unconsolidated Sequoia securities during the three months ended March 31, 2026, net of related issuance costs), and $65 million of net borrowings on debt obligations.

**Material Cash Requirements**

In the normal course of business, we enter into transactions that may require future cash payments. As required by GAAP, some of these obligations are recorded on the balance sheet, while others are off-balance sheet or recorded on our balance sheet in amounts different from the full contractual or notional amount of the transaction.

Our material cash requirements from known contractual and other obligations during the twelve months following March 31, 2026, include maturing debt obligations, interest payments on debt obligations and ABS issued, funding commitments for residential investor and consumer loans, strategic investments, potential repurchases of previously sold or securitized loans, meeting margin calls associated with our debt, interest rate hedges and other obligations, and other current payables. Our material cash requirements from known contractual and other obligations beyond the twelve months following March 31, 2026, include maturing long-term debt, interest payments on long-term debt, payments on operating leases and funding commitments for residential investor bridge loans and strategic investments (including our joint ventures), meeting margin calls associated with our debt, interest rate hedges and other obligations, and principal and interest payments under ABS issued (as described further below under *Liquidity Needs for our Redwood Investment Portfolio*).

At March 31, 2026, we had commitments to fund up to $203 million of additional advances on existing residential investor bridge loans, of which $92 million related to loans currently in securitizations co-sponsored by one of our joint ventures. These commitments are generally subject to loan agreements with covenants regarding the financial performance of the borrower and other terms regarding advances that must be met before we fund the commitment (for example, funding is dependent on actual progress on a project and we retain the right to conduct due diligence with respect to each draw request to confirm conditions have been met). A majority of the commitments are for longer-term renovate/build-for-rent loans (which generally have funding caps below their full commitment amount) and are expected to fund over the next several quarters. Additionally at March 31, 2026, we had $1.84 billion of available warehouse capacity for residential investor loans and scheduled bridge loan maturities are expected to provide an additional source of cash that can be used to fund our commitments.

During 2025, in connection with the sale of legacy unsecuritized bridge loans to the Legacy Trust, we entered into an agreement to provide up to $35 million of capital support if the Legacy Trust's portfolio loan-to-value ratios exceed specified thresholds. As of March 31, 2026, we had funded $20 million of this commitment, with $15 million in remaining funding commitments if certain triggers are met.

For additional information regarding our material cash requirements, see Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025 under the caption *Contractual Obligations*. For additional information on commitments and contingencies as of March 31, 2026 that could impact our liquidity and capital resources, see *Note 19* of our *Notes to Consolidated Financial Statements* in Part I, Item 1 of this Quarterly Report on Form 10-Q, which supplements the disclosures included in *Note 18* to the Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Most of our loan warehouse facilities and our servicer advance financing were established with initial one-year terms and are regularly amended on an annual basis to extend the terms for an additional year ahead of their maturity. We renewed several of these facilities during the three months ended March 31, 2026. While there is no assurance of our ability to renew our other facilities maturing in the next year, given current market conditions we expect to extend these in the normal course of business.

We expect to meet our obligations coming due in less than one year from March 31, 2026 most likely from borrowings under existing, new or amended financing arrangements, or through other previously mentioned sources of capital including cash on hand.

See *Note 18* in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information on our debt obligations.

***Liquidity Needs for our Mortgage Banking Activities***

We generally use loan warehouse facilities to finance the loans we acquire and originate in our mortgage banking platforms while we aggregate the loans for sale or securitization.

At March 31, 2026, we had residential consumer warehouse facilities outstanding with $4.70 billion of total capacity and $1.85 billion of available capacity. These included non-marginable facilities with $400 million of total capacity and marginable facilities with $4.30 billion of total capacity. At March 31, 2026, we had non-marginable, residential investor warehouse facilities outstanding available to finance our unsecuritized residential investor loans in our Redwood Investments, CoreVest Mortgage Banking and Legacy Investments segments with $2.03 billion of total capacity and $1.84 billion of available capacity. Borrowing under these facilities used to finance our CoreVest Mortgage Banking loan inventory at March 31, 2026 totaled $55 million. We note that several of these facilities used to finance our CoreVest Mortgage Banking loan inventory are also used to finance bridge loans held in our Legacy Investments portfolio at March 31, 2026.

Most of our loan warehouse facilities were established with initial one-year terms and are regularly amended on an annual basis to extend the terms for an additional year ahead of their maturity. We renewed several of these facilities during the three months ended March 31, 2026, and have other such facilities with scheduled maturities during the next twelve months. See *Note 18* in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information on the loan warehouse facilities used for our Mortgage Banking platforms.

As described above, our material cash requirements include meeting margin calls associated with loan warehouse facilities and interest rate hedges. During periods when there is higher volatility in benchmark interest rate levels, we may experience increased margin calls related to interest rate hedges, which may be material and present increased liquidity risk. In particular, interest rate hedges associated with our mortgage banking activities are typically intended to fully or partially offset interest rate-driven changes in the fair value of mortgage loans we own or have identified for purchase. When benchmark interest rates rise or decline, there may be liquidity risk due to the fact that any corresponding change in value to such mortgage loans or other financial instruments we own may not be an immediate source of liquidity to offset margin call amounts related to our interest rate hedges.

Additional information regarding risks related to the debt we use to finance our mortgage banking platforms can be found under the heading *"Risks Relating to Debt Incurred under Borrowing Facilities"* that follows within this section.

***Liquidity Needs for our Redwood Investments***

At March 31, 2026, in addition to our ABS issued, our investment portfolio was financed with $566 million of secured recourse debt, of which $219 million was marginable and $347 million was non-marginable, and $300 million of secured non-recourse debt that was non-marginable. At March 31, 2026, we have also allocated $81 million of outstanding borrowings from our secured revolving financing facility to finance our Redwood Investments segment. Our secured revolving financing facility may be used to finance both our Redwood Investments, Sequoia and CoreVest mortgage banking platforms, as well as Legacy Investments.

We use various forms of secured recourse and non-recourse debt to finance assets in our investment portfolio. Refer to Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025 under the caption *Liquidity and Capital Resources* for additional information regarding our forms of financing assets in our investment portfolio, as well as for our descriptions of what constitutes non-recourse and non-marginable debt.

See *Note 17 and Note 18* in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information on our asset-backed securities issued and debt obligations, respectively.

***Liquidity Needs for our Legacy Investments***

At March 31, 2026, we financed our Legacy Investments with a combination of recourse and non-recourse, non-marginable residential investor loan warehouse facilities, a recourse non-marginable HEI facility, and non-recourse securitization debt (ABS issued). Certain residential investor warehouse facilities may impose advance rate step-downs or repurchase requirements if underlying loan performance or property valuations deteriorate, which could require the use of additional liquidity. At March 31, 2026, we have also allocated $244 million of outstanding borrowings from our secured revolving financing facility to finance our Legacy Investments segment.

Refer to Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025 under the caption *Liquidity and Capital Resources* for additional information regarding our forms of financing for our investments, as well as for our descriptions of what constitutes non-recourse and non-marginable debt.

See *Note 17 and Note 18* in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information on our asset-backed securities issued and debt obligations, respectively.

***Corporate Capital***

We also use unsecured recourse debt to finance our operations, including convertible and non-convertible senior debt securities issued in the public markets, as well as trust preferred securities and promissory notes. These financing arrangements support the capital needs of our operating segments. Accordingly, the associated financing costs, including interest expense, are allocated to our operating segments based on their respective use of capital, consistent with how management evaluates segment performance. See *Note 18* Part I, Item 1 of this Quarterly Report on Form 10-Q and *Note 18* in Part II, Item 8 of our Annual Report on Form 10-K, for additional information on our unsecured debt obligations, net.

**Risks Relating to Debt Incurred under Borrowing Facilities**

As described above under the heading "*Results of Operations*," in the ordinary course of our business, we use debt financing obtained through several different types of borrowing facilities to, among other things, finance the acquisition and/or origination of residential consumer mortgage loans, residential investor mortgage loans, and HEI (including those we acquire or originate in anticipation of sale or securitization), and finance investments in securities and other investments. We may also use borrowings to fund other aspects of our business and operations, including the repurchase of shares of our capital stock. Recourse debt incurred under these facilities is generally either the direct obligation of Redwood Trust, Inc., or the direct obligation of subsidiaries of Redwood Trust, Inc. and guaranteed by Redwood Trust, Inc. Risks relating to debt incurred under these facilities are described in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025, under the caption(s) "*Risks Relating to Debt Incurred under Borrowing Facilities,*" and "*Our use of financial leverage exposes us to heightened liquidity risks, including margin calls and acceleration of repayment from defaults and cross-defaults.*"

Aggregate borrowing limits are stated under certain of these facilities, and certain other facilities have no stated borrowing limit, but many of the facilities are uncommitted, which means that any request we make to borrow funds under these uncommitted facilities may be declined by the lender for any reason, even if at the time of the borrowing request we have then-outstanding borrowings that are less than the borrowing limits under these facilities. In general, financing under these facilities is obtained by transferring or pledging mortgage loans, securities or other assets to the counterparty in exchange for cash proceeds (in an amount less than 100% of the principal amount of the transferred or pledged assets). Given that we may not be able to obtain additional financing under uncommitted lines when we need it, we are exposed to, among other things, liquidity risks of the types described in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 under the heading "*Risk Factors*," and in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2025 under the heading "*Market Risks*." In addition, with respect to mortgage loans, securities or other assets that at any given time are already being financed through these warehouse facilities, we are exposed to market, credit, liquidity, and other risks of the types described in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 under the heading "*Risk Factors*," and in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2025 under the heading "*Market Risks*," if and when those loans, securities or other assets become ineligible to be financed, decline in value, or have been financed for the maximum term permitted under the applicable facility.

Under many of our mortgage loan and HEI warehouse facilities, our securities repurchase facilities, and our secured revolving financing facility, while transferred or pledged mortgage loans, HEI, or securities are financed under the facility, to the extent the value of the loans, HEI, or securities, or the collateral underlying those loans, HEI, or securities, declines, we are generally required to either immediately reacquire the loans or securities or meet a margin requirement to transfer or pledge additional loans, securities or cash in an amount at least equal to the decline in value. Of our active financing arrangements with outstanding balances at March 31, 2026, only our securities repurchase facilities (with $104 million of borrowings outstanding at March 31, 2026), eight of our residential consumer mortgage loan warehouse facilities (with a combined $2.8 billion of borrowings outstanding at March 31, 2026), and a certificated MSR facility (with $114 million of borrowings outstanding at March 31, 2026) retain market-value based margin call provisions based solely on the lender's determination of market value and, as such, are considered marginable.

Margin call provisions under these facilities are further described in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 under the caption "*Risks Relating to Debt Incurred under Borrowing Facilities - Margin Call Provisions Associated With Debt Facilities and Other Debt Financing*." Financial covenants included in these facilities are further described Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 under the caption "*Risks Relating to Debt Incurred under Borrowing Facilities - Financial Covenants Associated With Debt Facilities and Other Debt Financing*."

At March 31, 2026, and through the date of this Quarterly Report on Form 10-Q, we were in compliance with the financial covenants associated with our debt financing facilities. Our financial covenants require us to maintain a minimum dollar amount of stockholders' equity or tangible net worth and minimum liquidity, as well as financial covenants that require us to maintain recourse indebtedness below a specified ratio. In particular, with respect to: (i) financial covenants that require us to maintain a minimum dollar amount of stockholders' equity or tangible net worth at Redwood, at March 31, 2026, our level of stockholders' equity and tangible net worth resulted in our being in compliance with these covenants by more than $200 million; and (ii) financial covenants that require us to maintain recourse indebtedness below a specified ratio at Redwood, at March 31, 2026, our level of recourse indebtedness resulted in our being in compliance with these covenants at a level such that we could incur at least $1.8 billion in additional recourse indebtedness.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates. A discussion of critical accounting policies and the possible effects of changes in estimates on our consolidated financial statements is included in *Note 2 — Basis of Presentation* and *Note 3 — Summary of Significant Accounting Policies* included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We have elected the fair value option of accounting for a significant portion of the assets and some of the liabilities on our balance sheet, and the majority of these assets and liabilities utilize Level 3 valuation inputs, which require a significant level of estimation uncertainty. See *Note 6* in Part I, Item 1 of this Quarterly Report on Form 10-Q, for additional information on our assets and liabilities accounted for at fair value at March 31, 2026, including the significant inputs used to estimate their fair values and the impact the changes in their fair values had to our financial condition and results of operations. See *Note 6* in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2025, incorporated herein by reference, for the same information on these assets and liabilities as of December 31, 2025. Periodic fluctuations in the values of these assets and liabilities are inherently volatile and thus can lead to significant period-to-period GAAP earnings volatility.

Additional detail on our critical accounting estimates is included in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025, under the heading "*Critical Accounting Estimates."*

## MARKET AND OTHER RISKS

We seek to manage risks inherent in our business — including but not limited to credit risk, interest rate risk, prepayment risk, liquidity risk, and fair value risk — in a prudent manner designed to enhance our earnings and dividends and preserve our capital. In general, we seek to assume risks that can be quantified from historical experience, to actively manage such risks, and to maintain capital levels consistent with these risks. Information concerning the risks we are managing, how these risks are changing over time, and potential GAAP earnings and taxable income volatility we may experience as a result of these risks is discussed in Part II, Item 7A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

In addition to the market and other risks described above, our business and results of operations are subject to a variety of types of risks and uncertainties, including, among other things, those described under the caption "*Risk Factors*" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

Information concerning market risk is incorporated herein by reference to Part II, Item 7A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as supplemented by the information under "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Market Risks*" within Item 2 above. Other than the developments described thereunder, including changes in the fair values of our assets, there have been no other material changes in our quantitative or qualitative exposure to market risk since December 31, 2025.

### Item 4. Controls and Procedures

We have adopted and maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed on our reports under the Securities Exchange Act of 1934, as amended (the Exchange Act), is recorded, processed, summarized, and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms and that the information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) of the Exchange Act, we have carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter covered by this report. Based on the foregoing, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level.

There have been no changes in our internal control over financial reporting during the first quarter of 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

For information on our legal proceedings, see *Note 19* to the Financial Statements within this Quarterly Report on Form 10-Q under the heading "*Loss Contingencies - Litigation, Claims and Demands*," which supplements the disclosures included in *Note 19* to the Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 under the heading "*Loss Contingencies - Litigation, Claims and Demands*."

### Item 1A. Risk Factors

Our risk factors are discussed under Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended March 31, 2026, we did not sell any equity securities that were not registered under the Securities Act of 1933, as amended.

In July 2025, our Board of Directors approved an authorization for the repurchase of up to $150 million of our common stock, and also authorized the repurchase of outstanding debt securities, including convertible debt. In May 2023, our Board of Directors approved an authorization for the repurchase of up to $70 million of our preferred stock. These authorizations have no expiration dates and do not obligate us to acquire any specific number of shares or securities. During the three months ended March 31, 2026, we did not repurchase any shares of our common or preferred stock under these programs. At March 31, 2026, $111 million and $70 million of the current authorization remained available for the repurchase of shares of our common and preferred stock, respectively, and we also continued to be authorized to repurchase outstanding debt securities.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures (Not Applicable)

### Item 5. Other Information

During the three months ended March 31, 2026, no director or "officer" (as defined in 17 CFR § 240.16a-1(f)) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

| Exhibit Number | Exhibit |
|---|---|
| 3.1 | Articles of Amendment and Restatement of the Registrant, effective July 6, 1994 (incorporated by reference to the Registrant’s Quarterly Report on Form 10-Q, Exhibit 3.1, filed on August 6, 2008) |
| 3.1.1 | Articles Supplementary of the Registrant, effective August 10, 1994 (incorporated by reference to the Registrant’s Quarterly Report on Form 10-Q, Exhibit 3.1.1, filed on August 6, 2008) |
| 3.1.2 | Articles Supplementary of the Registrant, effective August 11, 1995 (incorporated by reference to the Registrant’s Quarterly Report on Form 10-Q, Exhibit 3.1.2, filed on August 6, 2008) |
| 3.1.3 | Articles Supplementary of the Registrant, effective August 9, 1996 (incorporated by reference to the Registrant’s Quarterly Report on Form 10-Q, Exhibit 3.1.3, filed on August 6, 2008) |
| 3.1.4 | Certificate of Amendment of the Registrant, effective June 30, 1998 (incorporated by reference to the Registrant’s Quarterly Report on Form 10-Q, Exhibit 3.1.4, filed on August 6, 2008) |
| 3.1.5 | Articles Supplementary of the Registrant, effective April 7, 2003 (incorporated by reference to the Registrant’s Quarterly Report on Form 10-Q, Exhibit 3.1.5, filed on August 6, 2008) |
| 3.1.6 | Articles of Amendment of the Registrant, effective June 12, 2008 (incorporated by reference to the Registrant’s Quarterly Report on Form 10-Q, Exhibit 3.1.6, filed on August 6, 2008) |
| 3.1.7 | Articles of Amendment of the Registrant, effective May 19, 2009 (incorporated by reference to the Registrant’s Current Report on Form 8-K, Exhibit 3.1, filed on May 21, 2009) |
| 3.1.8 | Articles of Amendment of the Registrant, effective May 24, 2011 (incorporated by reference to the Registrant’s Current Report on Form 8-K, Exhibit 3.1, filed on May 20, 2011) |
| 3.1.9 | Articles of Amendment of the Registrant, effective May 18, 2012 (incorporated by reference to the Registrant’s Current Report on Form 8-K, Exhibit 3.1, filed on May 21, 2012) |
| 3.1.10 | Articles of Amendment of the Registrant, effective May 16, 2013 (incorporated by reference to the Registrant’s Current Report on Form 8-K, Exhibit 3.1, filed on May 21, 2013) |
| 3.1.11 | Articles of Amendment of the Registrant, effective May 16, 2019 (incorporated by reference to the Registrant's Current Report on Form 8-K, Exhibit 3.1, filed on May 17, 2019) |
| 3.1.12 | Articles of Amendment of the Registrant, effective June 15, 2020 (incorporated by reference to the Registrant’s Current Report on Form 8-K, Exhibit 3.1, filed on June 15, 2020) |
| 3.1.13 | Articles Supplementary of the Registrant, effective January 13, 2023 (incorporated by reference to the Registrant's Form 8-A, Exhibit 3.2, filed on January 13, 2023) (No. 001-13759) |
| 3.2 | Amended and Restated Bylaws of the Registrant, as adopted on November 2, 2022 (incorporated by reference to the Registrant's Annual Report on Form 10-K, Exhibit 3.2, filed on March 1, 2023) |
| 10.1 | Second Amendment to Lease, between Jamboree Center 4 LLC and Redwood Trust, Inc., dated as of April 24, 2026 (filed herewith) |
| 10.2 | Eighth Amendment to Lease Agreement, dated as of May 5, 2026, between ARTIS HRA Inverness Point, LP, as Landlord, and the Registrant, as Tenant (filed herewith) |
| 31.1 | Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101 | Pursuant to Rule 405 of Regulation S-T, the following financial information from the Company’s Quarterly Report on Form 10-Q for the period ended March 31, 2026, is filed in inline XBRL-formatted interactive data files: (i) Consolidated Balance Sheets at March 31, 2026 and December 31, 2025; (ii) Consolidated Statements of Income for the three months ended March 31, 2026 and 2025; (iii) Statements of Consolidated Comprehensive Income for the three months ended March 31, 2026 and 2025; (iv) Consolidated Statements of Changes in Stockholders' Equity for the three months ended March 31, 2026 and 2025; (v) Consolidated Statements of Cash Flows for the three months ended March 31, 2026 and 2025; and (vi) Notes to Consolidated Financial Statements. |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) |

* Indicates exhibits, if any, that include management contracts or compensatory plan or arrangements.

## 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.

**REDWOOD TRUST, INC.**

| | | | |
|---|---|---|---|
| Date: | May 7, 2026 | By: | /s/ Christopher J. Abate |
| | | | Christopher J. Abate<br>Chief Executive Officer<br>(Principal Executive Officer) |
| Date: | May 7, 2026 | By: | /s/ Brooke E. Carillo |
| | | | Brooke E. Carillo<br>Chief Financial Officer<br>(Principal Financial and Accounting Officer) |

**SECOND AMENDMENT TO LEASE**

**I. PARTIES AND DATE.**

This Second Amendment to Lease ("**Amendment**" or "**Second Amendment to Lease**") dated April 24, 2026, is by and between **JAMBOREE CENTER 4 LLC**, a Delaware limited liability company ("**Landlord**"), and **REDWOOD TRUST, INC.**, a Maryland corporation ("**Tenant**").

**II. RECITALS.**

On December 18, 2020, Landlord and Tenant entered into a lease, which lease was amended by a First Amendment to Lease dated December 3, 2021 (the "**First Amendment**") (collectively, the "**Lease**"), in connection with approximately 34,375 rentable square feet of space known as Suites 800 and 900 (the "**Current Premises**") in the building located at 4 Park Plaza, Irvine, California ("**Building**").

Landlord and Tenant each desire to modify the Lease to terminate a portion of the leased Premises consisting of approximately 11,372 rentable square feet of space shown on **Exhibit A** attached to this Amendment and herein referred to as "Suite 800",extend the Term as to the remainder of the leased premises, adjust the Basic Rent and make such other modifications as are set forth in "III. MODIFICATIONS" next below.

**III. MODIFICATIONS.**

A. Expiration of Suite 800. Tenant's lease as to the Suite 800 will terminate naturally on April 30, 2027 (the "**Expiration Date for Suite 800**), provided that such expiration will not relieve Tenant of (i) any Rent or other charges owed by Tenant, or other obligations required of Tenant under the Lease through and including the Expiration Date for Suite 800, (ii) any obligations that are set forth in this Amendment that accrue prior to the Expiration Date for Suite 800 or otherwise survive such termination pursuant to the express terms of the Lease, as amended hereby, and (iii) any indemnity or hold harmless obligations set forth in the Lease as to Suite 800 that accrue prior to the Expiration Date for Suite 800 or otherwise survive such termination pursuant to the express terms of the Lease, as amended hereby. Tenant will quit and surrender possession of Suite 800 to Landlord on or before the Expiration Date for Suite 800 in the condition required by the provisions of Section 15.2 and other applicable provisions of the Lease.

B. Basic Lease Provisions. The Basic Lease Provisions are hereby amended as follows:

1. Effective as of May 1, 2027, Item 2 will be deleted in its entirety and the following substituted in lieu thereof:

"2. **Premises**: Suite No. 900 (The Premises are more particularly set forth in Section 2.1.)
**Building**: 4 Park Plaza, Irvine, California 92614
**Project**: Jamboree Center"

2. Item 5 is hereby deleted in its entirety and the following substituted in lieu thereof:

"5. **Expiration Date for Suite 900**: April 30, 2032."

3. A. Effective as of July 1, 2026, Item 6 will be modified to reflect the following rent chart applicable to Suite 900 only:

"6. **Basic Rent for Suite 900**:

| Months of Term or Period for Suite 900 | Monthly Rate Per Square Foot for Suite 900 | Monthly Basic Rent for Suite 900 |
|---|---|---|
| 7/1/26 to 6/30/27 | $3.25 | $74,759.75 |
| 7/1/27 to 6/30/28 | $3.36 | $77,290.08 |
| 7/1/28 to 6/30/29 | $3.48 | $80,050.44 |
| 7/1/29 to 6/30/30 | $3.60 | $82,810.80 |
| 7/1/30 to 6/30/31 | $3.73 | $85,801.19 |
| 7/1/31 to 4/30/32 | $3.86 | $88,791.58 |

Notwithstanding the above schedule of Basic Rent to the contrary, as long as Tenant is not in Default (as defined in Section 14.1) under the Lease, Tenant will be entitled to an abatement of 4 full calendar months of Basic Rent in the aggregate amount of $304,099.66 (the "**Suite 900 Abated Basic Rent**") for the period beginning May 1, 2027, and ending June 30, 2027, in the amount of $149,519.50 and beginning July 1, 2027, and ending August 31, 2027, in the

amount of $154,580.16 (the "**Suite 900 Abatement Period**"). If Tenant is in monetary or material non-monetary Default at any time during the Term, the unamortized portion of the Suite 900 Abated Basic Rent will immediately become due and payable (it being understood that for purposes of this paragraph only, the Suite 900 Abated Basic Rent will be amortized on a straight-line basis, without interest, over the period commencing July 1, 2026 and expiring April 30, 2032). The payment by Tenant of the unamortized Suite 900 Abated Basic Rent in the event of a Default will not limit or affect any of Landlord's other rights, pursuant to the Lease or at law or in equity. Only Basic Rent will be abated during the Suite 900 Abatement Period and all other Rent and other costs and charges specified in the Lease will remain as due and payable pursuant to the provisions of the Lease."

B. The Basic Rent chart applicable to Suite 800, as reflected in Section III.A.4 of the First Amendment, shall continue to apply to Suite 800 through the Expiration Date for Suite 800, it being understood and agreed that no adjustment is being made via this Amendment to the Tenant's obligation to pay the Basic Rent attributable to Suite 800 through the Expiration Date for Suite 800.

4. Effective as of July 1, 2026, Item 7 will be modified as follows with respect to Suite 900 only, it being understood that Item 7 as pertains to Suite 800, and as reflected in Section III.A.5 of the First Amendment, shall remain applicable to Suite 800 through the Expiration Date for Suite 800:

"7. **Property Tax Base for Suite 900**: The Property Taxes per rentable square foot incurred by Landlord and attributable to the twelve month period ending June 30, 2027 (the "**Base Year**").

**Project Cost Base for Suite 900**: The Project Costs per rentable square foot incurred by Landlord and attributable to the Base Year.

**Expense Recovery Period**: Every 12 month period during the Term (or portion thereof during the first and last Lease years) ending June 30."

5. Effective as of May 1, 2027, Item 8 will be deleted in its entirety and the following substituted in lieu thereof:

"8. **Floor Area of Premises**: approximately 23,003 rentable square feet

**Floor Area of Building**: approximately 409,411 rentable square feet"

6. Effective as of May 1, 2027, Item 9 will be deleted in its entirety and the following substituted in lieu thereof:

"9. **Security Deposit**. $97,670.74"

7. Effective as of May 1, 2027, Item 11 will be deleted in its entirety and the following substituted in lieu thereof:

"11. **Parking**: Tenant shall have the right, but not the obligation, to utilize up to 83 Parking Passes in accordance with the provisions set forth in **Exhibit F** to this Lease."

C. Floor Plan. Effective as of May 1, 2027, **Exhibit A** to the Lease will be deleted in its entirety and **Replacement Exhibit A** attached hereto will be substituted in lieu thereof.

D. Security Deposit. On May 1, 2027, Tenant shall be refunded the difference between the Security Deposit currently being held by Landlord (i.e., $126,541.09, subject to any reductions thereto that may occur per the terms of Section 4.3 of the Lease (such amount, the "**Current Security Deposit**")) and the reduced Security Deposit set forth in Section III.B.6 above (such difference, anticipated to be $28,870.35, the "**Security Deposit Refund**"). The Security Deposit Refund shall be returned to Tenant in the form of a Rent credit to be applied to Rent due from Tenant from and after May 1, 2027, until the entire Security Deposit Refund has been fully depleted.

E. Operating Expenses. Notwithstanding any contrary provision in the Lease, Landlord hereby agrees that Tenant will not be obligated to pay Landlord for Tenant's Share of Operating Expense excess accruing during the 12 month period commencing July 1, 2026.

F. Parking. Notwithstanding any contrary provision in the Lease, effective as of May 1, 2027, Tenant may purchase from Landlord, up to 83 parking passes for unreserved parking as set forth in Item 11 of the Basic Lease Provisions (as reflected in the revised parking allotment set forth in Section III.B.7 of this Amendment) (the "**Parking Passes**"). Landlord agrees that Tenant may convert up

to 8 of the Parking Passes to reserved stalls by providing written notice of such election to Landlord (the "**Converted Stalls**"). In addition, Tenant may utilize up to 21 additional unreserved Parking Passes during the period commencing on July 1, 2026 and expiring on April 30, 2032, on an as-available basis (the "**Additional Parking Passes**"). During the period commencing July 1, 2026, and ending April 30, 2032 only, the charge for the Parking Passes (including 38 unreserved Parking Passes attributable to Suite 800 (the "**Suite 800 Parking Allotment**") which will no longer be available to Tenant after the Expiration Date for Suite 800) will be as follows: (i) $50.00 per Parking Pass for unreserved parking per month, (ii) if applicable, $135.00 per Converted Stall per month; and (iii) if applicable, $50.00 per Additional Parking Pass per month. Thereafter, if Tenant remains in possession of the Premises, the parking charges will be at Landlord's scheduled parking rates from time to time. Notwithstanding the foregoing, the monthly charge for up to 83 Parking Passes and up to 8 Converted Stalls (i.e., not to include the Suite 800 Parking Allotment) will be abated during the period commencing July 1, 2026, and ending on June 30, 2027.

G. Tenant Improvements. Landlord will complete the Suite 900 Tenant Improvements in accordance with the provisions of **Exhibit X**, Second Amendment Work Letter, attached hereto.

H. Tender. The Lease is hereby amended by adding the following to Section 10.2:

"Tenant will tender any action or proceeding for which it has indemnification obligations under this Lease to its insurer, and request coverage for its indemnity obligations expressly set forth herein to Landlord. If Tenant is obligated to indemnify Landlord under this Lease, Tenant will accept reasonable tender of defense of any action or proceeding for which it has indemnifications under this Lease in which Landlord is named or made a party, within 14 days of the tender and will, subject to the limitations of Tenant's indemnification obligations set forth herein and without prejudice, defend Landlord as provided herein until a final determination of Landlord's liability is made. For purposes of this Section 10.2, "**Landlord**" includes Landlord and Landlord's directors, officers, shareholders, members, agents and employees. Tenant's obligations under this Section 10.2 will survive the termination of this Lease."

I. Tenant's Insurance. **Exhibit D** to the Lease, Tenant's Insurance, is hereby amended by adding the following:

"4. VENDORS AND CONTRACTORS INSURANCE. If Tenant hires any vendor or contractor to complete work on the Premises; Tenant will cause such vendor or contractor to comply with the following insurance requirements:

A. Commercial general liability insurance with coverage limits of not less than $1,000,000 combined single limit for bodily injury, personal injury, death and property damage liability per occurrence or the current limit carried by vendor or contractor, whichever is greater,

B. Worker's compensation coverage as required by applicable law, including employer's liability coverage with a limit of not less than $1,000,000 each employee, each accident and each disease.

C. Vendor or Contractor and its insurer(s) providing the insurance coverages described in this Section 4 Parts A, and B above, will waive any and all rights of recovery against Landlord and all entities controlling, controlled by, or under common control with Landlord, together with their respective owners, shareholders, partners, members, divisions, officers, directors, employees, representatives and agents, and all of their respective successors.

D. The commercial general liability insurance policy required in Section 4 Part A, will name Landlord and all entities controlling, controlled by, or under common control with Landlord, together with their respective owners, shareholders, partners, members, divisions, officers, directors, employees, representatives and agents, and all of their respective successors as additional insured for both operations and product completed operations coverage. Such coverage will be primary and non-contributory to any insurance or self-insurance carried by Landlord and all entities controlling, controlled by, or under common control with Landlord."

J. Rules and Regulations. **Exhibit E** to the Lease titled "**Rules and Regulations**," is hereby deleted in its entirety and substituted with the attached **Replacement Exhibit E** in lieu thereof.

K. Right to Extend. Section 2 of **Exhibit G** to the Lease titled "**Right to Extend**," as amended by Section III.F of the First Amendment will remain in full force and effect during the Term, as modified hereby.

L. Existing Furniture. Section 3 of **Exhibit G** (erroneously labeled as Section 2) to the Lease titled "Existing Furniture," will remain in full force and effect during the Term, as extended hereby.

M. Right of First Offer. Section III.G of the First Amendment titled "**Right of First Offer**," will remain in full force and effect during the Term in respect of the Current Premises and Premises, as applicable. The First Right Space (as defined in the First Amendment) shall hereafter be deemed to mean Suite 800 on the eighth ($8^{th}$) floor of the Building.

**IV. GENERAL.**

A. Effect of Amendment. The Lease will remain in full force and effect and unmodified except to the extent that it is modified by this Amendment.

B. Entire Agreement. This Amendment embodies the entire understanding between Landlord and Tenant with respect to the modifications set forth in "III. MODIFICATIONS" above and can be changed only by a writing signed by Landlord and Tenant.

C. Defined Terms. All words commencing with initial capital letters in this Amendment and defined in the Lease will have the same meaning in this Amendment as in the Lease, unless they are otherwise defined in this Amendment.

D. Corporate and Partnership Authority. If Tenant is a corporation or partnership, or is comprised of either or both of them, each individual executing this Amendment for the corporation or partnership represents that he or she is duly authorized to execute and deliver this Amendment on behalf of the corporation or partnership and that this Amendment is binding upon the corporation or partnership in accordance with its terms.

E. Counterparts; Digital Signatures. This Amendment may be executed in one or more counterparts, each of which will constitute an original and all of which will be one and the same agreement. The parties expressly agree that one or each of the parties may execute and deliver this Amendment electronically using a certificate-based electronic signature and delivery software service approved and initiated by Landlord that provides an audit trail and method for authenticating signers (the "**Approved Service**"). The Approved Service will have the same legal effect as a handwritten signature and will be admissible evidence of the parties' mutual intent to be legally bound by this Amendment. The parties declare that they have received all of the information required to be fully aware of the certificate-based electronic signature software process and each party hereby waives any claim which it may have against the enforceability of this Amendment based on the use of the Approved Service.

F. Brokers. Article 18 of the Lease is amended to provide that the parties recognize the following parties as the brokers who negotiated this Amendment, and agree that Landlord will be responsible for payment of brokerage commissions to such brokers pursuant to its separate agreements with such brokers: Irvine Management Company ("**Landlord's Broker**") is the agent of Landlord exclusively and Cushman & Wakefield ("**Tenant's Broker**") is the agent of Tenant exclusively. By the execution of this Amendment, each of Landlord and Tenant hereby acknowledge and confirm (a) receipt of a copy of a Disclosure Regarding Real Estate Agency Relationship conforming to the requirements of California Civil Code 2079.16, and (b) the agency relationships specified herein, which acknowledgement and confirmation is expressly made for the benefit of Tenant's Broker. By the execution of this Amendment, Landlord and Tenant are executing the confirmation of the agency relationships set forth herein. The warranty and indemnity provisions of Article 18 of the Lease, as amended hereby, will be binding and enforceable in connection with the negotiation of this Amendment.

**V. EXECUTION.**

Landlord and Tenant executed this Amendment on the date as set forth in "I. PARTIES AND DATE." above.

**LANDLORD:**

JAMBOREE CENTER 4 LLC,
a Delaware limited liability company

By: /s/ Beau G. Rawi

Beau G. Rawi
Senior Vice President, Leasing
Office Properties

By: /s/ Stacy Nishioka

Stacy Nishioka
Vice President, Operations
Office Properties

**TENANT:**

REDWOOD TRUST, INC.,
a Maryland corporation

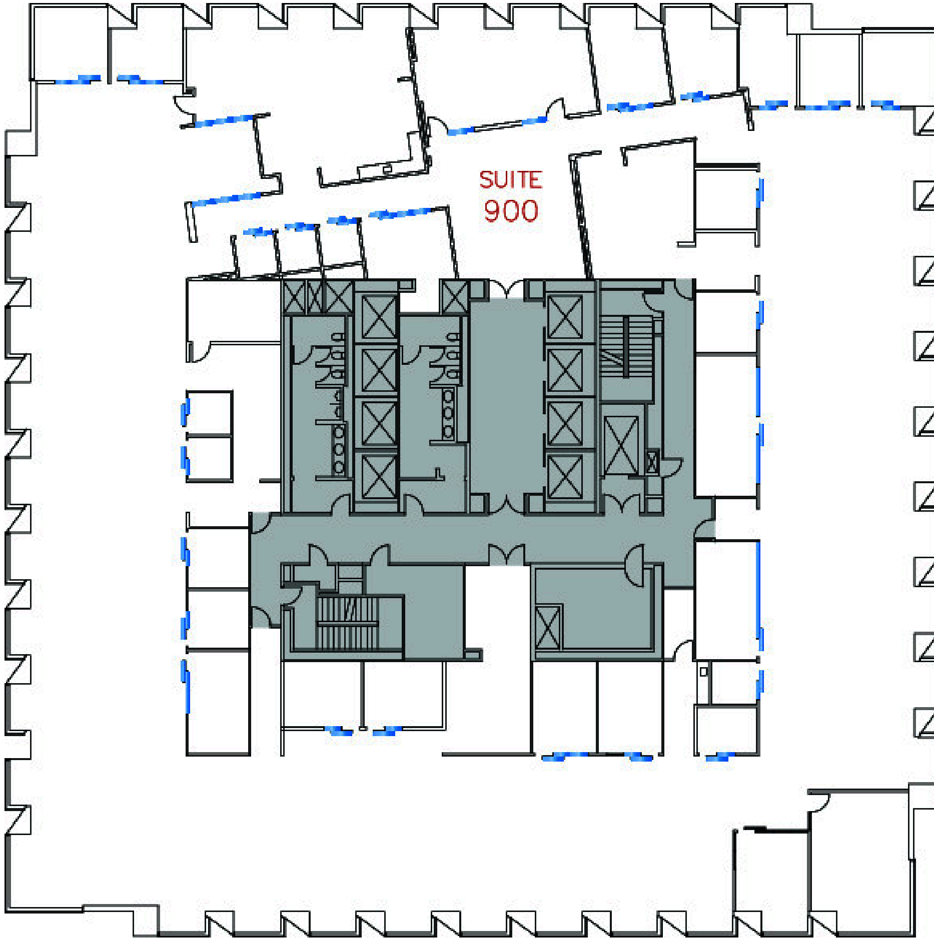
By: /s/ Sasha Macomber

Sasha Macomber
Chief Human Resources Officer

THE IRVINE COMPANY

**REPLACEMENT EXHIBIT A**

**4 Park Plaza, Suite 900**



**REPLACEMENT EXHIBIT E**

**RULES AND REGULATIONS**

The following Rules and Regulations will be in effect at the Building. Landlord reserves the right to adopt reasonable nondiscriminatory modifications and additions at any time. In the case of any conflict between these regulations and the Lease, the Lease will be controlling.

1. Tenant will not obstruct any sidewalks, halls, passages, elevators, stairways, or other common areas, or use such areas for storage, for depositing items, or for any purpose other than for ingress to and egress from the Premises. If Tenant has access to any balcony or patio area, Tenant will not place any furniture or other personal property in such area without the prior written approval of Landlord.

2. Neither Tenant nor any employee or contractor of Tenant will go upon the roof of the Building without the prior written consent of Landlord.

3. Tenant will be required to utilize, at Tenant's expense, the third-party contractor designated by Landlord for the Building to provide any telephone wiring services from the minimum point of entry of the telephone cable in the Building to the Premises.

4. Tenant will not install any antenna or satellite dish without the prior written agreement of Landlord.

5. Tenant will not cover or obstruct any sashes, sash doors, windows, glass lights, solar film, solar screen, or any lights or skylights that reflect or admit light into the halls or other places of the Building. If Landlord objects to any such covering or obstruction, Tenant must immediately remove such covering or obstruction upon written notice from Landlord. The interior of the Premises visible from outside the Premises must be maintained in a visually professional manner and consistent with a first-class office building. Tenant will not place any unsightly items (as determined by Landlord in its reasonable discretion) along the exterior glass line of, or entrance door or windows to, the Premises including, but not limited to, boxes, and electrical and data cords. No awnings will be permitted on any part of the Premises.

6. The installation and location of any unusually heavy equipment in the Premises, including, without limitation, file storage units, safes, and electronic data processing equipment, will require the prior written approval of Landlord. The moving of large or heavy objects will occur only between those hours as may be designated by, and only upon previous notice to, Landlord. No freight, furniture or bulky matter of any description will be received into or moved out of the lobby of the Building or carried in any elevator other than the freight elevator (if available) designated by Landlord unless approved in writing by Landlord.

7. Any pipes or tubing used by Tenant to transmit water to an appliance or device in the Premises must be made of copper or stainless steel, and in no event will plastic tubing be used for that purpose.

8. Tenant will not place any lock(s) on any door in the Premises or the Building without Landlord's prior written consent, which consent will not be unreasonably withheld. Upon the termination of its tenancy, Tenant must deliver to Landlord all the keys to offices, rooms and toilet rooms and all access cards that will have been furnished to Tenant or that Tenant has had made.

9. Tenant will not install equipment requiring electrical or air conditioning service in excess of that to be provided by Landlord under the Lease without prior written approval from Landlord.

10. Tenant will not use space heaters, daisy-chained extension cords or other equipment that poses a safety or fire risk within the Premises.

11. Tenant will not do or permit anything to be done in the Premises, or bring or keep anything in the Premises, that will in any way increase the insurance on the Building, or on the property kept in the Building, or interfere with the rights of other tenants, or conflict with any governmental rule or regulation.

12. Tenant will not use or keep any foul or noxious gas or substance in the Premises.

13. Tenant will not permit the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business with other tenants.

14. Tenant will not permit any pets or animals in or about the Building. Bona fide service dogs (collectively, "**Service Dogs**") are permitted in the Premises and Common Areas so long as such Service Dogs (a) remain under the direct control of the individual the Service Dog serves at all times,

(b) remain on a leash while in the Common Areas (and such leash is no longer than 6'), unless the Service Dog is under voice control of its owner, in which case no leash is required, (c) only utilize designated pet relief areas for animal waste, and (d) do not disturb or threaten others.

15. Neither Tenant nor its employees, agents, contractors, invitees, or licensees will bring any firearm, whether loaded or unloaded, into the Project at any time.

16. Smoking tobacco, including via personal vaporizers or other electronic cigarettes, anywhere within the Premises, Building or Project is strictly prohibited, except that smoking tobacco may be permitted outside the Building and within the Project only in areas designated by Landlord. Smoking, vaping, distributing, growing, or manufacturing marijuana or any marijuana derivative anywhere within the Premises, Building or Project is strictly prohibited.

17. Tenant will not install an aquarium of any size in the Premises unless otherwise approved in writing by Landlord.

18. Tenant will not utilize any name selected by Landlord from time to time for the Building and/or the Project as any part of Tenant's corporate or trade name. Landlord will have the right to change the name, number or designation of the Building or Project without liability to Tenant. Tenant will not use any picture of the Building in its advertising, stationery or in any other manner.

19. Upon request by Landlord, Tenant will supply Landlord with the names and telephone numbers of personnel designated by Tenant to be contacted on an after-hours basis if circumstances warrant.

20. Tenant will not ride, operate, or in any way propel any bicycle, scooter, skateboard, roller skates, roller blades, hoverboard, or any similar wheeled or non-wheeled personal transportation device (collectively, "**Wheeled Devices**"), whether manually or electrically powered, within the interior of the Building. Wheeled Devices must be walked or carried when entering or exiting the Building. Notwithstanding the foregoing, bicycles (electric or otherwise) and, at Landlord's discretion, other Wheeled Devices, must be stored exclusively in the designated storage areas provided by Landlord in the Common Areas.

21. Landlord may, from time to time, grant tenants individual and temporary variances from these Rules, provided that any variance does not have a material adverse effect on the use and enjoyment of the Premises by Tenant.

22. Fitness Center Rules. Tenant will cause its employees (whether members or prospective members of the Fitness Center) to comply with the following Fitness Center rules and regulations (subject to change from time to time as Landlord may solely determine):

(a) Membership in the Fitness Center is open to the tenants of Landlord or its affiliates only. No guests will be permitted to use the Fitness Center without the prior written approval of Landlord or Landlord's representative.

(b) Fitness Center users are not allowed to be in the Fitness Center other than the hours designated by Landlord from time to time. Landlord has the right to alter the hours of use of the Fitness Center, at Landlord's sole discretion.

(c) All Fitness Center users must execute Landlord's Waiver of Liability prior to use of the Fitness Center and agree to all terms and conditions outlined therein.

(d) Individual membership and guest keycards to the Fitness Center will not be shared and will only be used by the individual to whom such keycard was issued. Failure to abide by this rule may result in immediate termination of such Fitness Center user's right to use the Fitness Center.

(e) All Fitness Center users and approved guests must have a pre-authorized keycard to enter the Fitness Center. A pre-authorized keycard will not be issued to a prospective Fitness Center user until receipt by Landlord of Landlord's initial fee, if any, for use of the Fitness Center by such Fitness Center user(s).

(f) Use of the Fitness Center is a privilege and not a right. Failure to follow gym rules or to act inappropriately while using the facilities will result in termination of Tenant's Fitness Center privileges.

**EXHIBIT X**

**SECOND AMENDMENT WORK LETTER**

The Tenant Improvement/refurbishment work to Suite 900 (herein "**Suite 900 Tenant Improvements**") will consist of any work required to complete Suite 900 pursuant to plans and specifications approved by both Landlord and Tenant. All of the Suite 900 Tenant Improvements will be performed by a contractor selected by Landlord and in accordance with the procedures and requirements set forth below. Should Tenant's scope of work require a permit, Landlord's contractor will be selected on the basis of a competitive bid submitted by one general contractor designated by Landlord and up to 2 other general contractors approved in writing by Landlord to construct the Suite 900 Tenant Improvements.

I. **ARCHITECTURAL AND CONSTRUCTION PROCEDURES**

A. Tenant and Landlord will approve both (i) a detailed space plan for the Premises, prepared by the architect engaged by Landlord for the work described herein ("**Landlord's Architect**"), which includes interior partitions, ceilings, interior finishes, interior office doors, suite entrance, floor coverings, window coverings, lighting, electrical and telephone outlets, plumbing connections, heavy floor loads and other special requirements ("**Preliminary Plan**"), and (ii) an estimate, prepared by the contractor engaged by Landlord for the work herein ("**Landlord's Contractor**"), of the cost for which Landlord will complete or cause to be completed the Suite 900 Tenant Improvements ("**Preliminary Cost Estimate**"). Tenant will approve or disapprove each of the Preliminary Plan and the Preliminary Cost Estimate by signing copies of the appropriate instrument and delivering same to Landlord within 5 business days of its receipt by Tenant. If Tenant disapproves any matter, Tenant will specify in detail the reasons for disapproval and Landlord will attempt to modify the Preliminary Plan and the Preliminary Cost Estimate to incorporate Tenant's suggested revisions in a mutually satisfactory manner.

B. On or before its approval of the Preliminary Plan, Tenant will provide in writing to Landlord or Landlord's Architect all specifications and information requested by Landlord for the preparation of final construction documents and costing, including without limitation Tenant's final selection of wall and floor finishes, complete specifications and locations (including load and HVAC requirements) of Tenant's equipment, and details of all other non-building standard improvements to be installed in the Premises (collectively, "**Programming Information**").

C. Upon Tenant's approval of the Preliminary Plan and Preliminary Cost Estimate and delivery of the complete Programming Information, Landlord's Architect and engineers will prepare and deliver to the parties working drawings and specifications ("**Working Drawings and Specifications**"), and Landlord's Contractor will prepare a final construction cost estimate ("**Final Cost Estimate**") for the Suite 900 Tenant Improvements in conformity with the Working Drawings and Specifications. Tenant will have 5 business days from the receipt thereof to approve or disapprove the Working Drawings and Specifications and the Final Cost Estimate. Should Tenant disapprove the Working Drawings and Specifications and the Final Cost Estimate, such disapproval will be accompanied by a detailed list of revisions. Any revision requested by Tenant and accepted by Landlord will be incorporated by Landlord's Architect into a revised set of Working Drawings and Specifications and Final Cost Estimate, and Tenant will approve same in writing within 5 business days of receipt without further revision.

D. In the event that Tenant requests in writing a revision in the approved Working Drawings and Specifications ("**Change**"), then provided such Change is acceptable to Landlord, Landlord will advise Tenant by written change order as soon as is practical of any increase in the Completion Cost such Change would cause. Tenant will approve or disapprove such change order in writing within 5 business days following its receipt from Landlord. Tenant's approval of a Change will be accompanied by Tenant's payment of any resulting increase in the Completion Cost, after application of any unutilized portion of the "**Landlord Contribution**" as defined below. It is understood that Landlord will have no obligation to interrupt or modify the Suite 900 Tenant Improvements pending Tenant's approval of a change order.

E. It is understood that the Preliminary Plan and the Working Drawings and Specifications, together with any Changes thereto, will be subject to the prior reasonable approval of Landlord. Landlord will identify any reasonably disapproved items within 3 business days (or 2 business days in the case of Changes) after receipt of the applicable document. In lieu of disapproving an item, Landlord may approve same on the condition that Tenant pay to Landlord, prior to the start of construction and in addition to all sums otherwise due hereunder, an amount equal to the cost, as reasonably estimated by Landlord, of removing and replacing the item upon the expiration or termination of the Lease. Should Landlord approve work that would necessitate any ancillary Building modification or other

expenditure by Landlord, then except to the extent of any remaining balance of the Landlord Contribution, Tenant will, in addition to its other obligations herein, promptly fund the cost thereof to Landlord.

F. It is understood that all or a portion of the Suite 900 Tenant Improvements will be done during Tenant's occupancy of the Premises. In this regard, Tenant agrees to assume any risk of injury, loss or damage which may result. Tenant further agrees that it will be solely responsible for relocating its office equipment and furniture in the Premises in order for Landlord to complete the work in the Premises (unless such relocation is a component of the Tenant Improvements) and that no rental abatement will result while the Suite 900 Tenant Improvements are completed in the Premises.

G. Tenant hereby designates Micaela Lumpkin, Telephone No. (949) 344-7897, Email: Micaela.lumpkin@cvest.com as its representative, agent and attorney-in-fact for the purpose of receiving notices, approving submittals and issuing requests for Changes, and Landlord will be entitled to rely upon authorizations and directives of such person(s) as if given directly by Tenant. Tenant may amend the designation of its construction representative(s) at any time upon delivery of written notice to Landlord.

II. **COST OF SUITE 900 TENANT IMPROVEMENTS**

A. Landlord will complete, or cause to be completed, the Suite 900 Tenant Improvements, at the construction cost shown in the approved Final Cost Estimate (subject to the provisions of this Work Letter), in accordance with final Working Drawings and Specifications approved by both Landlord and Tenant. Landlord will pay towards the final construction costs ("**Completion Cost**") as incurred a maximum of $345,045.00 ("**Landlord Contribution**"), based on $15.00 per rentable square foot of the Premises, and Tenant will be fully responsible for the remainder ("**Tenant Contribution**"). If the actual cost of completion of the Suite 900 Tenant Improvements is less than the maximum amount provided for the Landlord Contribution, then subject to all other rights of Tenant in this **Exhibit X**, such savings will inure to the benefit of Landlord and Tenant will not be entitled to any credit or payment or to apply the savings toward additional work. The Landlord Contribution must be utilized by June 30, 2027.

B. The Completion Cost will include all direct costs of Landlord in completing the Suite 900 Tenant Improvements, including but not limited to the following: (i) payments made to architects, engineers, contractors, subcontractors and other third party consultants in the performance of the work, (ii) permit fees and other sums paid to governmental agencies, (iii) costs of all materials incorporated into the work or used in connection with the work (excluding any furniture, fixtures and equipment relating to the Premises), and (iv) keying and signage costs. The Completion Cost will also include an administrative/supervision fee to be paid to Landlord in the amount of 3% of the Landlord Contribution (after deducting from the total Landlord Contribution any portion thereof utilized as an FF&E Allowance or a Basic Rent Credit as permitted below).

C. Prior to start of construction of the Suite 900 Tenant Improvements, Tenant will pay to Landlord the amount of the Tenant Contribution set forth in the approved Final Cost Estimate, as applicable. In addition, if the actual Completion Cost of the Suite 900 Tenant Improvements is greater than the Final Cost Estimate because of modifications or extras requested by Tenant and not reflected on the approved working drawings, or because of delays caused by Tenant, then after first applying any unused portion of the Landlord Contribution, Tenant will pay to Landlord, within 10 days following submission of an invoice therefor, all such additional costs, including any additional architectural fee. If Tenant defaults in the payment of any sums due under this Work Letter, Landlord shall (in addition to all other remedies) have the same rights as in the case of Tenant's failure to pay Rent under the Lease.

D. In consideration of the execution of this Amendment by Tenant, Landlord will reimburse Tenant, up to the total amount of the FF&E Allowance (hereinafter defined) for its actual third-party out-of-pocket permitted expenses, which permitted expenses may include Tenant's moving costs, data cabling, furniture, fixtures and equipment purchases/relocation/reconfiguration for the Premises ("**FF&E Expenses**") or as a credit against Tenant's Basic Rent obligations under the Lease, as amended hereby, pursuant to the terms of this Section II.D of **Exhibit X**. Tenant agrees that all FF&E Expenses for which Tenant seeks reimbursement from the FF&E Allowance must be supported by paid third-party invoices in order to be reimbursed, and the total amount to be reimbursed by Landlord will not exceed an amount equal to the lesser of (i) the remaining Landlord Contribution after payment of all costs of the Suite 900 Tenant Improvements, and (ii) $7.00 per rentable square foot of the Premises (such amount, as the case may be, the "**FF&E Allowance**"). Reimbursement from the FF&E Allowance will be paid by Landlord in one lump-sum payment within 30 days following Landlord's receipt of all of Tenant's

third-party paid invoices for any such permitted FF&E Expenses. Tenant may use any portion of the FF&E Allowance (to the extent not used to reimburse Tenant's FF&E Expenses) as a credit towards Tenant's Basic Rent obligations under the Lease, as amended hereby, by delivering irrevocable written notice thereof to Landlord (the "**Rent Credit Notice**") on or before June 30, 2027, time being of the essence. If Tenant timely delivers a Rent Credit Notice, the portion of the FF&E Allowance specified in such Rent Credit Notice (such amount, the "**Basic Rent Credit**") will be applied as a credit against Tenant's Basic Rent obligations for Suite 900 under the Lease, as amended hereby, and such credit will be applied in equal monthly amounts over the period of time commencing July 1, 2027, through April 30, 2032. Any portion of the FF&E Allowance not utilized by Tenant, as evidenced by third party paid invoices submitted to Landlord on or before June 30, 2027, and/or by delivery of a Rent Credit Notice on or before June 30, 2027, will inure to the benefit of Landlord and Tenant will not be entitled to any credit or payment for any unused FF&E Allowance funds. Notwithstanding anything to the contrary contained herein, Landlord will have no obligation to pay any portion of the FF&E Allowance (including any application of the Basic Rent Credit) during any period where Tenant is in Default under the Lease beyond any applicable notice and cure period.

**EIGHTH AMENDMENT TO LEASE AGREEMENT**

THIS EIGHTH AMENDMENT TO LEASE AGREEMENT (this "Amendment") is made and entered into effective as of May 5, 2026 (the "Amendment Date") by and between **TPI DENVER LLC,** a Texas limited liability company ("Landlord"), and **REDWOOD TRUST, INC.**, a Maryland corporation ("Tenant").

**WITNESSETH:**

WHEREAS, Landlord (as successor-in-interest to ARTIS HRA Inverness Point, LP, a Delaware limited partnership, as successor-in-interest to MG-Point, LLC, a Colorado limited liability company) and Tenant are parties to that certain Lease Agreement dated as of January 11, 2013, as previously amended by (i) that certain First Amendment to Lease dated as of June 27, 2013, (ii) that certain Second Amendment to Lease dated as of June 23, 2014, (iii) that certain Third Amendment to Lease Agreement dated as of January 22, 2020, (iv) that certain Fourth Amendment to Lease Agreement dated as of April 20, 2020, (v) that certain Fifth Amendment to Lease Agreement dated as of July 27, 2020, (vi) that certain Sixth Amendment to Lease Agreement dated as of December 4, 2020, and (vii) that certain Seventh Amendment to Lease Agreement dated as of May 21, 2021 (as amended, the "Lease"), pursuant to which Tenant currently leases from Landlord Suite 425, containing 17,219 rentable square feet (the "Current Premises") on the fourth (4th) floor of the office building known as The Point at Inverness, located at 8310 South Valley Highway, Englewood, Colorado 80112 (the "Building"); and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Lease; and

WHEREAS, Landlord and Tenant wish to amend the Lease to expand the size of the Premises to be leased effective as of the Extension Commencement Date (as defined below) and to provide for certain related matters as set forth in this Amendment.

**AGREEMENTS:**

For valuable consideration, whose receipt and sufficiency are acknowledged, Landlord and Tenant hereby agree as follows:

1. **Defined Terms**. As used in this Amendment, the following terms have the meanings given below:

(a) "Expansion Area" means the approximately 2,940 rentable square feet of space located on the fourth (4th) floor contiguous to the Current Premises, designated as Suite 415, as depicted on the attached Exhibit A.

(b) "Expansion Commencement Date" shall be the earlier to occur of (i) ninety (90) days following the Amendment Date, or (ii) the date upon which Tenant occupies the Expansion Area.

(c) "Expansion Termination Date" shall be the last day of the twenty-sixth (26th) month after the Expansion Commencement Date, unless otherwise extended as provided in this Amendment.

(d) "Expansion Term" shall be the period beginning on the Expansion Commencement Date and continuing through the Expansion Termination Date.

(e) "New Premises" means the approximately 20,159 rentable square feet located in Suite 425 of the Building, as depicted on the attached Exhibit A, being the Current Premises plus the Expansion Area.

2. **Expansion Area.** As of the Expansion Commencement Date and continuing for the Expansion Term only, the Current Premises shall be redefined as the New Premises. For the duration of the Expansion Term, the Lease is amended such that all references in the Lease to the "Premises" shall be deemed to refer to the New Premises. At or prior to the Expansion Termination Date, Tenant shall vacate and deliver the Expansion Area to Landlord in accordance with the general terms and conditions regarding surrender of the Premises in the Lease. In the event that Tenant fails to deliver exclusive possession of the Expansion Area to Landlord as and in the condition required pursuant to this Amendment and

the Lease, then Tenant shall be deemed to be holding over with respect to the Expansion Area without the consent of Landlord and shall be liable to Landlord for rent at the holdover rate provided in the Lease, in addition to any and all other remedies provided to Landlord in the Lease related to holdover. Once the Expansion Commencement Date is determined, the parties shall execute the Confirmation of Expansion Commencement Date in the form attached hereto as Exhibit B.

3. **Base Rent**. Effective on the Expansion Commencement Date and continuing through the Expansion Term, Tenant shall pay Base Rent with respect to the Expansion Area only as follows:

| Lease Months | Rentable Square Feet | Base Rent | | |
|---|---|---|---|---|
| | | PRSF | Annual Rent | Monthly Rent |
| 1-2 | 2,940 | [Abated] | | |
| 3-14 | 2,940 | $17.00 | $49,980.00 | $4,165.00 |
| 15-26 | 2,940 | $17.50 | $51,450.00 | $4,287.50 |

As used herein, the term "Lease Month" means each calendar month during the Expansion Term (and if the Expansion Commencement Date does not occur on the first day of a calendar month, the period from the Expansion Commencement Date to the first day of the next calendar month shall be included in the first Lease Month for purposes of determining the duration of the Expansion Term and the Base Rent rate applicable for such partial month). Notwithstanding the foregoing, the abatement of Base Rent for the first two (2) Lease Months following the Expansion Commencement Date shall be expressly conditioned upon there being no occurrence of an uncured event of default by Tenant hereunder from the Amendment Date through the date upon which such abatement is scheduled. If there shall occur an uncured event of default by Tenant under the Lease during such time, all Base Rent previously abated shall be immediately due and payable at the rate set forth above for the period immediately following the abatement period, any abatement thereafter shall be immediately and automatically terminated, and Tenant shall immediately begin paying Base Rent at the rate set forth above for the period immediately following the abatement period (without limiting any remedies available to Landlord pursuant to the Lease). There shall be a similarly conditional abatement of Operating Expenses during such time period.

From and after the Amendment Date and continuing through the expiration of the Term (January 31, 2031), Tenant shall pay Base Rent with respect to the Current Premises as follows:

| Lease Months | Rentable Square Feet | Base Rent | | |
|---|---|---|---|---|
| | | PRSF | Annual Rent | Monthly Rent |
| Amendment Date - 1/31/2027 | 17,219 | $22.50 | $387,427.50 | $32,285.63 |
| 2/1/2027 - 1/31/2028 | 17,219 | $23.00 | $396,037.00 | $33,003.08 |
| 2/1/2028 - 1/31/2029 | 17,219 | $23.50 | $404,646.50 | $33,720.54 |
| 2/1/2029 - 1/31/2030 | 17,219 | $24.00 | $413,256.00 | $34,438.00 |
| 2/1/2030 - 1/31/2031 | 17,219 | $24.50 | $421,865.50 | $35,155.46 |

4. **Recalculation of Tenant's Pro Rata Share**. Staring on the Expansion Commencement Date and continuing for the duration of the Expansion Term only, Tenant's Pro Rata Share of Operating Expenses shall be 10.59% (being 20,159 rentable square feet of the New Premises divided by 190,334 rentable square feet of the Building). Upon expiration of the Expansion Term, Tenant's Pro Rata Share of Operating Expenses shall revert to 9.05% (being 17,219 rentable square feet of the New Premises divided by 190,334 rentable square feet of the Building).

5. **Condition of Expansion Area**. Tenant hereby accepts the Current Premises and the Expansion Area in their "**AS-IS**" condition.

6. **Parking**. Effective upon the Expansion Commencement Date and for the duration of the Expansion Term only (as the same may be extended pursuant to the Expansion Area Renewal Option, as set forth in Section 8), Tenant shall be allocated a total of eighty (80) parking spaces, with seven (7) such parking spaces being reserved Covered Parking

Spaces and the balance shall be seventy-three (73) Surface Parking Spaces (the "Parking Allotment"). Except as expressly provided herein, the Parking Allotment shall be the subject to all of the terms and conditions set forth in the Lease. Following the Expansion Termination Date (as the same may be extended pursuant to the Expansion Area Renewal Option), the Parking Allotment shall automatically decrease to a total of sixty-nine (69) parking spaces, with seven (7) of such parking spaces being reserved Covered Parking Spaces and the balance being sixty-two (62) Surface Parking Spaces. Additionally, subject to availability, Tenant shall have the right to lease additional Covered Parking Spaces on a month-to-month basis (terminable by either party on no less than 30 days' written notice) at the then-current rate charged for such spaces by Landlord.

7. **Option to Renew for Expansion Area**. Provided that (i) Tenant is not in default under the Lease beyond any applicable notice and cure periods and (ii) the Original Tenant (as defined below) continues to be in possession of the New Premises, both requirements being met as of the date of exercise of the Expansion Area Renewal Option and as of the Expansion Area Renewal Term Commencement Date (both as defined below), then Landlord and Tenant agree that during the Expansion Term, Tenant shall have one (1) option to renew the Lease as it relates to the entirety of the Expansion Area (the "Expansion Area Renewal Option") to extend the Expansion Term through January 31, 2031 (such period of time from June 1, 2024 (the "Expansion Area Renewal Commencement Date"), through January 31, 2031, being referred to herein as the "Expansion Area Renewal Term"). The Expansion Area Renewal Option is exercisable only by Tenant giving written notice thereof ("Renewal Notice") to Landlord of its exercise of the Expansion Area Renewal Option at least six (6) months, but not more than nine (9) months, prior to the expiration of the Expansion Term. If Tenant gives timely notice exercising the Expansion Area Renewal Option, the Term of the Lease shall (subject to cancellation by Landlord for an Event of Default by Tenant as provided in the first sentence of this Section) automatically be extended by the Expansion Area Renewal Term. If Tenant does not timely give notice of its exercise of the Expansion Area Renewal Option, the Expansion Area Renewal Option shall expire and Tenant shall have no further right to extend or renew the Expansion Term. During the Expansion Area Renewal Term, the Lease and Tenant's use and occupancy of the New Premises shall be on the terms provided in the Lease, except as follows:

(a) Effective beginning on the Expansion Area Renewal Commencement Date, and continuing through the Expansion Area Renewal Term, Base Rent with respect to the Expansion Area only shall continue to increase $0.50 per rentable square foot per annum.

(b) The Expansion Area Renewal Option shall be personal to Redwood Trust, Inc., a Maryland corporation (together with any Permitted Transferee who has assumed the Lease (as defined in Section 14.2 of the Lease), collectively, the "Original Tenant"), and may only be exercised by Original Tenant (and not any assignee, sublessee or other transferee of Original Tenant's interest in the Lease). All references to "Tenant" in this Section 7 shall mean Original Tenant only. In the event of any assignment of the Lease or sublease of all or any portion of the New Premises to any party other than Original Tenant, the Expansion Area Renewal Option shall be extinguished.

8. **Brokerage**. Landlord and Tenant each warrant to the other that it has not dealt with any broker or agent in connection with the negotiation or execution of this Amendment, other than Newmark, representing Landlord, and CBRE, representing Tenant, whose commissions shall be paid by Landlord pursuant to a separate written agreement. Landlord and Tenant shall each indemnify the other against all costs, expenses, attorneys' fees, and other liability for commissions or other compensation claimed by any other broker or agent claiming the same by, through, or under the indemnifying party.

9. **Ratification**. Tenant hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that it has no defenses thereto. Additionally, Tenant further confirms and ratifies that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, (b) Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant, and (c) all improvement allowances provided to Tenant under the Lease or otherwise, if any, have been paid in full by Landlord to Tenant, and Tenant has no further obligations with respect thereto.

10. **Confidentiality**. Tenant acknowledges the terms and conditions of the Lease (as amended hereby) are to remain confidential for Landlord's benefit, and may not be disclosed by Tenant to anyone, by any manner or means, directly or indirectly, without Landlord's prior written consent; however, Tenant may disclose the terms and conditions of the Lease to its attorneys, accountants, employees and existing or prospective financial partners, or if required by law or

court order, provided all parties to whom Tenant is permitted hereunder to disclose such terms and conditions are advised by Tenant of the confidential nature of such terms and conditions and agree to maintain the confidentiality thereof (in each case, prior to disclosure). Tenant shall be liable for any disclosures made in violation of this Section 10 by Tenant or by any entity or individual to whom the terms of and conditions of the Lease were disclosed or made available by Tenant. The consent by Landlord to any disclosures shall not be deemed to be a waiver on the part of Landlord of any prohibition against any future disclosure.

11. **Limitation of Liability**. In addition to any other limitations of Landlord's liability as contained in the Lease, as amended to date, the liability of Landlord (and its partners, shareholders or members) to Tenant (or any person or entity claiming by, through or under Tenant) for any default by Landlord under the terms of the Lease or any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Building shall be limited to Tenant's actual direct, but not consequential, damages therefor and shall be recoverable only from the interest of Landlord in the Building, and Landlord (and its partners, shareholders or members) shall not be personally liable for any deficiency.

12. **Binding Effect; Governing Law**. Except as modified hereby, the Lease shall remain in full effect and this Amendment shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of the Lease and the terms of this Amendment, the terms of this Amendment shall prevail. This Amendment shall be governed by the laws of the State in which the Premises are located.

13. **Counterparts**. This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one document. To facilitate execution of this Amendment, the parties hereto may execute and exchange, by telephone facsimile or electronic mail PDF, counterparts of the signature pages. Signature pages may be detached from the counterparts and attached to a single copy of this Amendment to physically form one document.

Executed as of the Amendment Date first written above.

**LANDLORD:** **TPI DENVER LLC**,
a Texas limited liability company

By: Aniketos Capital Management LLC,
a Texas limited liability company, its Manager

By: /s/ Mark Horrell
Name: Mark Horrell
Title: Manager

**TENANT:** **REDWOOD TRUST, INC.**,
a Maryland corporation

By: /s/ Sasha Macomber
Name: Sasha Macomber
Title: Chief Human Resource Officer

**EXHIBIT A**

**NEW PREMISES**

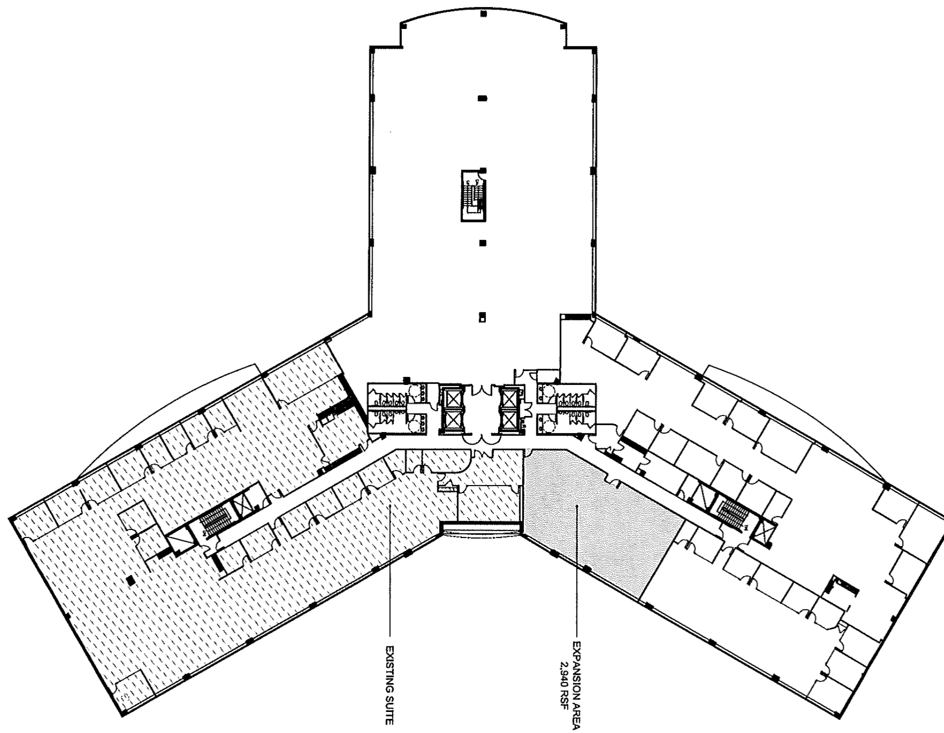


**EXHIBIT B**

**FORM OF CONFIRMATION OF EXPANSION COMMENCEMENT DATE**

___________, 2026

Redwood Trust, Inc.
8310 South Valley Highway, Suite 425
Englewood, Colorado 80112

Re: Eighth Amendment to Lease Agreement (the "Lease Amendment") dated April ___, 2026 between TPI DENVER LLC, a Texas limited liability company ("Landlord"), and REDWOOD TRUST, INC., a Maryland corporation ("Tenant"). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease or the Lease Amendment.

Ladies and Gentlemen:

Landlord and Tenant agree as follows:

1. **Condition of Expansion Area**. Tenant has accepted possession of the Expansion Area pursuant to the Lease Amendment. Any improvements required by the terms of the Lease or the Lease Amendment to be made by Landlord have been completed to the full and complete satisfaction of Tenant in all respects. Tenant acknowledges that the New Premises are suitable for the Permitted Uses.

2. **Expansion Commencement Date**. The Expansion Commencement Date under the Lease Amendment is ____________, 2026.

3. **Expansion Termination Date**. The Expansion Termination Date is _______________, 20____.

4. **Ratification**. Tenant hereby ratifies and confirms its obligations under the Lease, as amended, and represents and warrants to Landlord that it has no defenses thereto. Additionally, Tenant further confirms and ratifies that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, and (b) Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant.

5. **Binding Effect; Governing Law**. Except as modified hereby, the Lease shall remain in full effect and this letter shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this letter and the terms of the Lease, the terms of this letter shall prevail. This letter shall be governed by the laws of the state in which the Premises are located.

Please indicate your agreement to the above matters by signing this letter in the space indicated below and returning an executed original to us.

Sincerely,

**TPI DENVER LLC**,
a Texas limited liability company

By: Aniketos Capital Management LLC,
a Texas limited liability company, its Manager

By:____________
Name: Mark Horrell
Title: Manager

Agreed and accepted:

**REDWOOD TRUST, INC.**,
a Maryland corporation

By:____________
Name:____________
Title:____________

Exhibit B

**EXHIBIT 31.1**

**CHIEF EXECUTIVE OFFICER CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christopher J. Abate, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Redwood Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2026

/s/ Christopher J. Abate

Christopher J. Abate
Chief Executive Officer

**EXHIBIT 31.2**

**CHIEF FINANCIAL OFFICER CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brooke E. Carillo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Redwood Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2026

/s/ Brooke E. Carillo
Brooke E. Carillo
Chief Financial Officer

**EXHIBIT 32.1**

## CERTIFICATION

Pursuant to 18 U.S.C. §1350, the undersigned officer of Redwood Trust, Inc. (the "Registrant") hereby certifies that the Registrant's Quarterly Report on Form 10-Q for the three months ended March 31, 2026 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

| Date: May 7, 2026 | /s/ Christopher J. Abate |
|---|---|
| | Christopher J. Abate |
| | Chief Executive Officer |

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Quarterly Report or as a separate disclosure document.

**EXHIBIT 32.2**

## CERTIFICATION

Pursuant to 18 U.S.C. §1350, the undersigned officer of Redwood Trust, Inc. (the “Registrant”) hereby certifies that the Registrant’s Quarterly Report on Form 10-Q for the three months ended March 31, 2026 (the “Quarterly Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

| Date: May 7, 2026 | /s/ Brooke E. Carillo |
|---|---|
| | Brooke E. Carillo |
| | Chief Financial Officer |

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Quarterly Report or as a separate disclosure document.