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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 3, 2026

REDWOOD TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland	**001-13759**	**68-0329422**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

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

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

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

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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. ☐

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
9.00% Senior Notes Due 2029	RWTO	New York Stock Exchange
9.125% Senior Notes Due 2030	RWTP	New York Stock Exchange
9.50% Senior Notes Due 2030	RWTQ	New York Stock Exchange
9.75% Senior Notes Due 2031	RWTR	New York Stock Exchange

Item 2.02. Results of Operations and Financial Condition;

Item 7.01. Regulation FD Disclosure.

On November 3, 2026, Redwood Trust, Inc. (the "Company") issued a press release announcing its financial results for the quarter ended September 30, 2026, the *Redwood Trust Shareholder Letter – 3rd Quarter 2026* and *The Redwood Review – 3rd Quarter 2026,* copies of which are attached as Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3, respectively, to this current report on Form 8-K.

In addition, on November 3, 2026, the Company made available Supplemental Financial Tables presenting certain financial results for the quarter ended September 30, 2026. A link to the Supplemental Financial Tables is available at the Company's website at http://www.redwoodtrust.com, in the Investor Relations section of the website under "Financials."

The information contained in this Item 2.02 and Item 7.01 and the attached Exhibits 99.2, and 99.3 is furnished to and not filed with the SEC, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1	Press Release issued November 3, 2026
Exhibit 99.2	Redwood Trust Shareholder Letter - 3rd Quarter 2026
Exhibit 99.3	The Redwood Review – 3rd Quarter 2026
Exhibit 104	Cover Page Interactive Data File (embedded within the inline XBRL document)

SIGNATURES

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

Date: November 3, 2026

REDWOOD TRUST, INC.

By: /s/ BROOKE E. CARILLO

Name: Brooke E. Carillo
Title: Chief Financial Officer

REDWOOD

TRUST

REDWOOD TRUST REPORTS THIRD QUARTER FINANCIAL RESULTS AND ANNOUNCES PLANNED TRANSITION TO A C-CORPORATION

MILL VALLEY, CA – Redwood Trust, Inc. (NYSE:RWT; "Redwood," the "Company"), a leader in expanding access to housing for homebuyers and renters, today reported its financial results for the quarter ended September 30, 2026.

Strategic Update

- **In a separate press release issued today, Redwood announced its plan to transition to a C-corporation in 2027 to align corporate strategy with business structure and enhance shareholder value**
    - The transition is expected to result in an initial $0.73–$0.77 per share increase in GAAP book value[(1)] in the fourth quarter of 2026, while providing greater flexibility to retain and reinvest earnings. The full announcement is available on Redwood's website at https://www.redwoodtrust.com/investor-relations/news-events/press-releases

- Separately, the Company announced that it has upsized its secured financing facility with CPP Investments and Stone Point Credit, extending the maturity date to March 2030 and further strengthening financing flexibility

Third Quarter 2026 Highlights

- **Book value performance reflects Core Segment profitability, significant progress resolving assets in the Legacy Investment Segment, and dividends paid amid market volatility**
    - GAAP book value per common share declined 4.9% to $6.56 at September 30, 2026, compared to $6.90 per share at June 30, 2026
    - Consolidated GAAP net loss was $(0.39) per basic and diluted common share. Non-GAAP Earnings Available for Distribution ("EAD")* was $(0.02) per share, and Non-GAAP Core Segments EAD* was $0.18 per share
        - The difference between consolidated GAAP results and EAD primarily reflects investment fair value changes related to dispositions within Legacy Investments
- **Mortgage Banking[(2)] platforms maintained attractive returns while accelerating pipeline distribution.** These platforms generated a 26% annualized non-GAAP return on capital ("ROC")*, their ninth consecutive quarter above 20%
    - Mortgage Banking production of $6.6 billion, compared to $8.0 billion in the second quarter 2026
        - Mortgage Banking platforms generated GAAP net income of $27.0 million, as compared to $40.1 million in the second quarter 2026
        - Distributed $8.8 billion of loans across our Mortgage Banking platforms through securitizations, whole loan sales and joint ventures, significantly reducing inventory exposure[(3)]
- **Maintained strong liquidity through proactive financing and distribution initiatives.** Redwood ended September with $201 million of cash and cash equivalents and warehouse line utilization of 37% of total capacity[(4)]
- **Technology investments delivered measurable productivity gains and positive investment returns.** Continue to drive AI adoption across the organization, with AI-enabled automation now generating approximately 28,300 hours of annualized time savings, a 20% increase from the second quarter. Additionally, RWT Horizons' venture investment portfolio contributed $4.9 million of

positive fair value changes during the quarter, driven by unrealized gains and monetizations across our Real Estate Technology and AI investments

Q4 2026 Business Priorities

- **Accelerate Legacy Investment resolutions to improve GAAP earnings.** Capital allocated to Legacy Investments has declined approximately 75% over the past year to $116 million at September 30, 2026. Additional resolutions are expected during the fourth quarter, with the objective of materially reducing the associated earnings and financing burden beginning Q1 2027
- **Prioritize corporate deleveraging while positioning for a lower long-term cost of capital.** Opportunistic repurchases of unsecured debt at an attractive discount will be prioritized, while reshaping overall unsecured debt capital structure over time as obligations become callable
- **Renew foundation for organic book value growth.** Greater earnings retention, reduced cash income taxes, continued Legacy Investment resolutions and disciplined expense management are expected to support more stable growth beginning in Q1 2027, without relying on a recovery in mortgage market activity

“The third quarter of 2026 was among the most challenging for our industry since the onset of the COVID-19 pandemic. We prioritized liquidity while maintaining strong returns in mortgage banking,” said Christopher Abate, Chief Executive Officer of Redwood Trust. “We distributed $8.8 billion of mortgage loans during the quarter, while continuing to serve our seller network. In aligning our corporate structure with our business model going forward, we can leverage our competitive advantages and continue growing market share—a major strategic priority as housing inventory for sale hits multi-year highs and the need for purchase-money mortgages potentially rises."

	Three Months Ended	
	9/30/2026	6/30/2026
Financial Performance		
Book Value per Common Share	$ 6.56	$ 6.90
Economic Return on Book Value [5]	(2.3)%	(0.6)%
Net Loss per Basic Common Share	$ (0.39)	$ (0.03)
EAD per Basic Common Share*	$ (0.02)	$ 0.15
Core Segments EAD per Basic Common Share*	$ 0.18	$ 0.25
Dividends per Common Share	$ 0.18	$ 0.18

Q3 2026 Segment Highlights [6]

GAAP Segment Net Loss Results Summary ($ in millions)	Three Months Ended	
	9/30/2026	6/30/2026
Core Segments:		
Mortgage Banking Platforms:[2]		
Sequoia Mortgage Banking	$ 32.3	$ 31.6
Aspire Mortgage Banking	(5.4)	7.3
CoreVest Mortgage Banking	0.1	1.2
Total Mortgage Banking Platforms	$ 27.0	$ 40.1
Redwood Investments	(4.4)	0.7
Total Core Segments	$ 22.6	$ 40.8
Legacy Investments	(45.0)	(23.3)
Total Reportable Segments	$ (22.4)	$ 17.5
Corporate/Other	(24.9)	(20.4)
Total GAAP Net Loss	$ (47.3)	$ (2.9)

Mortgage Banking Platforms[2]

- Total Mortgage Banking platforms[2] GAAP net income of $27.0 million, compared to $40.1 million in the second quarter 2026
- Generated 26% annualized Mortgage Banking ROC*

Sequoia Mortgage Banking[6]

- Locked $5.1 billion of loans in the third quarter[7], with gain on sale margin of 113 basis points, above the Company's target range, compared to 92 basis points in the second quarter 2026
- Products outside of traditional 30-year fixed rate totaled 36% of lock volume - including ARMs, medical professional loans, Agency NOO, CES and HELOCs
- Continued to demonstrate best-in-class distribution capabilities through securitizations, whole-loan sales and transfers to joint ventures
  - Ten securitizations totaling $5.8 billion[3][8], including the first securitization issued out of our Castlelake joint venture
  - $738 million in whole loan sales including transactions executed with two new bank partners

- Transferred $1.2 billion of loans to our Castlelake joint venture, illustrating the continued ramp of our capital-efficient growth strategy
- Cost per loan of 20 basis points in the third quarter 2026[9], compared to 17 basis points in the second quarter 2026

Aspire Mortgage Banking[6]

- Locked $1.1 billion of loans in the third quarter, a 45% decrease from $2.1 billion in the prior quarter[7] amid greater pressure from higher rates and wider spreads
  - At September 30, 2026, Aspire maintained an active network of over 165 sellers
- Aspire's third quarter margins were pressured by lower hedge effectiveness on positions held at the start of the quarter amid a sharp rise in rates, extended loan distribution timelines, and wider non-QM securitization spreads
- Distributed $1.3 billion of loans through a combination of securitizations ($904 million) and whole loan sales ($386 million)
  - Completed the fourth and fifth transactions under the SPIRE shelf
  - Advanced operational work for our previously announced Aspire-focused joint venture, with anticipated utilization beginning mid-Q4 2026

CoreVest Mortgage Banking[6]

- Funded $406 million of loans (74% bridge and 26% term) in the third quarter, relatively flat from the second quarter 2026, as higher rates weighed on the term loan pipeline while bridge fundings increased 35%
- Distributed $427 million of newly originated loans through sales to joint ventures ($244 million), replenishments of bridge-loan securitizations ($113 million), and whole loan sales ($70 million)
- Began transitioning servicing of non-securitized bridge loans to our new servicing partner, with the goal of expanding its servicing role across the platform over time and further reducing servicing costs

Redwood Investments

- Generated a segment GAAP net loss of $(4.4) million in the third quarter 2026, compared to segment GAAP net income of $0.7 million in the second quarter 2026
  - Results included $4.9 million of investment fair value changes, net, from our RWT Horizons portfolio, which positively contributed to segment earnings for the third consecutive quarter. This was offset by fair value declines across our retained investment portfolio, driven by the sharp increase in benchmark interest rates and spread-widening during the third quarter 2026
- Redwood Investments Non-GAAP recourse leverage ratio* of 0.9x at September 30, 2026, unchanged from June 30, 2026

Legacy Investments

- Segment GAAP net loss of $(45.0) million in the third quarter 2026, relative to a segment GAAP net loss of $(23.3) million in the second quarter 2026
  - Includes the impact of over $200 million of completed or expected near-term loan resolutions since June 30, 2026, net interest expense and portfolio management costs, and unrealized fair value changes on our HEI portfolio
  - Capital allocated to Legacy Investments declined approximately 75% over the past year, to $116 million at September 30, 2026 (7% of total capital)
- Legacy Investments Non-GAAP recourse leverage ratio* of 4.0x at September 30, 2026

Capital and Financing

- Unrestricted cash and cash equivalents of $201 million at September 30, 2026, compared to $192 million at June 30, 2026
- Total excess warehouse financing capacity of $6.5 billion at September 30, 2026[(10)]
- Recourse debt of $4.2 billion at September 30, 2026 compared to $4.5 billion at June 30, 2026[(11)]
  - Non-GAAP recourse leverage ratio* of 5.2x, compared to 5.0x at June 30, 2026
- Liquidity and liability management remained central priorities during the quarter
  - Completed a $205 million convertible notes offering at a 7% coupon; use of proceeds included repayment of approximately 40% of our convertible debt maturing in June 2027
  - Repurchased 9.2 million shares of common stock for $34 million, including $20 million concurrent with the convertible notes offering, resulting in approximately $0.25 per share of book value accretion
  - Maintained board authorization to continue repurchasing unsecured corporate debt; we intend to prioritize opportunistic repurchases at attractive discounts, supported by greater earnings retention under our C-corporation transition plan

* Represents a non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" section for additional information.

1. Deferred tax asset ("DTA") estimate of $85 - $90 million based on financial results as of September 30, 2026, and 116.5 million outstanding common shares.
2. Mortgage Banking or Mortgage Banking platforms refers to the combined performance or data related to Sequoia Mortgage Banking, Aspire Mortgage Banking and CoreVest Mortgage Banking segments. Production consists of loan locks from Sequoia Mortgage Banking and Aspire Mortgage Banking, as well as loan fundings from CoreVest Mortgage Banking.
3. Distributions include securitizations across Sequoia, Aspire, and CoreVest mortgage banking platforms. Sequoia includes securitizations of previously retained investments from Sequoia securitizations as well as securitizations that were issued and called within the reporting period.
4. Warehouse line utilization is calculated as outstanding borrowings divided by total warehouse line capacity, and includes warehouse lines at our joint ventures.
5. Economic return on book value is based on the period change in GAAP book value per common share plus dividends declared per common share in the period.
6. Beginning in the first quarter of 2026, we revised our segment reporting to (i) present Aspire Mortgage Banking as a new reportable segment separate from our Sequoia Mortgage Banking segment and (ii) allocate corporate financing costs and debt to our combined Mortgage Banking platforms (consisting of Sequoia, Aspire and CoreVest Mortgage Banking) and our Redwood Investments and Legacy Investments segments. This change had no impact on the consolidated financial statements and all prior period amounts were conformed to the current presentation.
7. Lock volume represents loans identified for purchase from loan sellers. Lock volume does not account for potential fallout from pipeline that typically occurs through the lending process.
8. Includes $639 million of loans securitized through our Castlelake joint venture.
9. Cost per loan for the Sequoia Mortgage Banking segment is calculated as general and administrative expenses and loan acquisition costs of this segment divided by loan purchase commitments of this segment.
10. Includes $2.4 billion of excess warehouse capacity at our joint ventures.
11. At September 30, 2026, and June 30, 2026, recourse debt excluded $25.1 billion and $23.4 billion, respectively, of consolidated securitization debt (ABS issued and servicer advance financing), other liabilities and other debt that is non-recourse to Redwood, and tangible stockholders' equity excluded $28 million and $30 million, respectively, of goodwill and intangible assets.

Third Quarter 2026 Redwood Review and Supplemental Tables Available Online

A further discussion of Redwood's business and financial results is included in the third quarter 2026 Shareholder Letter and Redwood Review which are available under "Financial Info" within the Investor Relations section of the Company's website at redwoodtrust.com/investor-relations. Additional supplemental financial tables can also be found within this section of the Company's website.

Conference Call and Webcast

Redwood will host an earnings call today, November 3, 2026, at 5:00 p.m. Eastern Time / 2:00 p.m. Pacific Time to discuss its third quarter 2026 financial results. The number to dial in order to listen to the conference call is 1-877-423-9813 in the U.S. and Canada. International callers must dial 1-201-689-8573. A replay of the conference call will be available from 9:00 p.m. Eastern Time / 6:00 p.m. Pacific Time on Tuesday, November 3, 2026, through 11:59 p.m. Eastern Time / 8:59 p.m. Pacific Time on Tuesday, November 17, 2026. To access the replay, dial 1-844-512-2921 domestically or 1-412-317-6671 internationally and enter passcode 13763407.

The conference call will be webcast live in listen-only mode through the News & Events section of Redwood's Investor Relations website at https://www.redwoodtrust.com/investor-relations/news-events/events. To listen to the webcast, please go to Redwood's website at least 15 minutes before the call to register and to download and install any audio software needed. An audio replay of the call will also be available on Redwood's website following the call. Redwood plans to file its Quarterly Report on Form 10-Q with the Securities and Exchange Commission by Monday, November 9, 2026, and also make it available on Redwood's website.

REDWOOD TRUST, INC.

Consolidated Income Statements [1] ($ in millions, except share and per share data)	Three Months Ended 9/30/26	 6/30/26
Net Interest Income	$ 40.6	$ 32.1
Non-interest income		
Mortgage banking activities, net	8.9	32.1
Investment fair value changes, net	(38.1)	(22.5)
HEI (loss) income, net	(3.7)	2.8
Servicing income, net	3.5	2.6
Fee income, net	2.2	3.0
Other income, net	3.5	6.0
Realized (losses) gains, net	(4.0)	—
Total non-interest income, net	$ (27.7)	$ 23.9
General and administrative expenses	(38.5)	(38.2)
Portfolio management costs	(11.0)	(7.0)
Loan acquisition costs	(6.6)	(6.0)
Other expenses	(7.0)	(4.7)
Benefit from (Provision for) income taxes	4.6	(1.1)
Net loss	$ (45.5)	$ (1.1)
Dividends on preferred stock	(1.8)	(1.8)
Net loss related to common stockholders	$ (47.3)	$ (2.9)
Weighted average basic common shares (thousands)	124,122	125,333
Weighted average diluted common shares (thousands) [2]	124,122	125,333
Net loss per basic common share	$ (0.39)	$ (0.03)
Net loss per diluted common share	$ (0.39)	$ (0.03)
Regular dividends declared per common share	$ 0.18	$ 0.18

(1) Certain totals may not foot due to rounding.

(2) Actual shares outstanding (in thousands) at September 30, 2026 and June 30, 2026 were 116,498 and 125,607, respectively.

REDWOOD TRUST, INC.

Consolidated Balance Sheets [1]

($ in millions, except share and per share data)

	9/30/26	6/30/26
Residential consumer loans	$ 25,173	$ 23,639
Residential investor loans	2,760	3,125
Real estate securities	470	481
Home equity investments (HEI)	326	340
Servicing investments	293	291
Strategic investments	113	97
Cash and cash equivalents	201	192
Other assets	1,063	654
Total assets	**$ 30,399**	**$ 28,818**
Asset-backed securities issued, net	$ 24,155	$ 22,516
Debt obligations, net	4,717	4,957
Other liabilities	696	412
Total liabilities	**$ 29,568**	**$ 27,884**
Stockholders' equity	831	934
Total liabilities and equity	**$ 30,399**	**$ 28,818**
Common shares outstanding at period end (thousands)	116,498	125,607
GAAP book value per common share	$ 6.56	$ 6.90

(1) Certain totals may not foot due to rounding.

Segment Financial Information[1][2]

(In Millions)	Three Months Ended September 30, 2026					
	Sequoia Mortgage Banking	Aspire Mortgage Banking	CoreVest Mortgage Banking	Redwood Investments	Legacy Investments	Total
Interest income	$ 66.8	$ 24.0	$ 2.9	$ 349.6	$ 2.8	$ 446.2
Interest expense	(39.4)	(17.4)	(2.1)	(330.6)	(16.1)	(405.6)
Net interest income (expense)	27.5	6.7	0.8	18.9	(13.3)	40.6
Non-interest income (loss)						
Mortgage banking activities, net	11.6	(9.0)	6.4	—	—	8.9
Investment fair value changes, net	—	—	0.3	(16.0)	(22.4)	(38.1)
HEI income (loss), net	—	—	—	0.5	(4.1)	(3.7)
Servicing Income, net	—	0.1	—	3.4	—	3.5
Fee Income, net	—	—	1.3	0.9	—	2.2
Other income, net	0.6	—	0.2	1.9	0.8	3.5
Total non-interest income, net	12.2	(8.9)	8.2	(9.3)	(25.8)	(23.7)
General and administrative expenses	(6.1)	(2.7)	(7.5)	(0.7)	—	(17.0)
Portfolio management costs	—	—	—	(4.3)	(6.6)	(11.0)
Loan acquisition costs	(2.7)	(1.1)	(2.7)	—	—	(6.6)
Other expenses	—	—	(2.0)	(4.9)	—	(7.0)
Benefit from (Provision for) income taxes	2.4	0.8	3.4	(3.6)	1.0	4.0
Preferred Dividends	(0.8)	(0.1)	(0.1)	(0.4)	(0.3)	(1.8)
Net Income (Loss)	$ 32.3	$ (5.4)	$ 0.1	$ (4.4)	$ (45.0)	$ (22.4)
Reconciling Items - Corporate/Other						
Realized (losses), net						$ (4.0)
General and administrative expenses						(21.5)
Benefit from income taxes						0.6
Net (loss) related to common stockholders						$ (47.3)
Total Assets - Reportable Segments	$ 1,749.6	$ 887.9	$ 294.3	$ 26,383.4	$ 898.2	$ 30,213.4
Total Assets - Corporate/Other						185.6
Total Assets						$ 30,399.0

(In Millions)	Three Months Ended June 30, 2026					
	Sequoia Mortgage Banking	Aspire Mortgage Banking	CoreVest Mortgage Banking	Redwood Investments	Legacy Investments	Total
Interest income	$ 58.4	$ 18.1	$ 3.5	$ 301.7	$ 3.3	$ 385.0
Interest expense	(31.1)	(14.5)	(2.2)	(291.6)	(13.7)	(353.2)
Net interest income (expense)	27.3	3.6	1.3	10.2	(10.4)	31.9
Non-interest income (loss)						
Mortgage banking activities, net	12.9	9.2	9.9	—	—	32.1
Investment fair value changes, net	—	—	—	(10.2)	(12.3)	(22.5)
HEI income, net	—	—	—	0.5	2.3	2.8
Servicing Income, net	—	—	—	2.6	—	2.6
Fee Income, net	—	—	2.5	0.5	—	3.0
Other income, net	—	—	(0.2)	5.2	1.0	6.0
Total non-interest income, net	12.9	9.2	12.2	(1.4)	(9.0)	23.9
General and administrative expenses	(6.1)	(2.8)	(7.7)	(0.9)	—	(17.5)
Portfolio management costs	—	—	—	(3.4)	(3.6)	(7.0)
Loan acquisition costs	(2.1)	(1.1)	(2.8)	—	—	(6.0)
Other expenses	—	—	(2.0)	(2.3)	(0.4)	(4.7)
Benefit from (Provision for) income taxes	0.1	(1.4)	0.3	(0.6)	0.3	(1.3)
Preferred Dividends	(0.5)	(0.2)	(0.1)	(0.8)	(0.2)	(1.8)
Net Income (Loss)	$ 31.6	$ 7.3	$ 1.2	$ 0.7	$ (23.3)	$ 17.5
Reconciling Items - Corporate/Other						
Interest Income						$ 0.2
General and administrative expenses						(20.7)
Benefit from income taxes						0.2
Net (loss) related to common stockholders						$ (2.9)
Total Assets - Reportable Segments	$ 2,236.4	$ 835.2	$ 320.7	$ 24,322.0	$ 915.6	$ 28,629.9
Total Assets - Corporate/Other						188.3
Total Assets						$ 28,818.2

(1) Certain totals may not foot due to rounding.

(2) Prior period amounts have been conformed to reflect the updated segment structure and allocation of corporate financing costs, enabling comparability with the current period presentation.

Non-GAAP Financial Measures

To supplement consolidated and segment financial information prepared and presented in accordance with U.S. generally accepted accounting principles ("GAAP"), the Company also provides the following non-GAAP measures:

- Earnings Available for Distribution (“EAD”)
- EAD Return on Equity ("EAD ROE")
- EAD per Basic Common Share
- Core Segments Earnings Available for Distribution (“Core Segments EAD”)
- Core Segments EAD Return on Equity ("Core Segments EAD ROE")
- Core Segments EAD per Basic Common Share
- Mortgage Banking Return on Capital ("ROC")
- Redwood Investments Recourse Leverage Ratio
- Legacy Investments Recourse Leverage Ratio
- Recourse Leverage Ratio

Management believes these non-GAAP measures provide useful supplemental information to investors and management in evaluating the Company’s operating performance, facilitating comparisons to industry peers, and assessing the current income-generating capacity of the Company’s operating platforms as of the period presented. These measures also assist in evaluating the Company’s ongoing transition to a more mortgage banking focused business model, including the wind-down of legacy portfolio holdings within the Legacy Investments segment.

These non-GAAP measures should not be utilized in isolation, nor should they be considered as an alternative to GAAP net income (loss) available (related) to common stockholders, or other measurements of results of operations computed in accordance with GAAP or for federal income tax purposes.

EAD, EAD ROE and EAD per Basic Common Share

EAD, EAD ROE and EAD per basic common share are non-GAAP financial measures that the Company has historically reported and continues to use to present management’s non-GAAP analysis of the operating performance of the Company’s different business segments.

EAD is defined as GAAP net income (loss) available (related) to common stockholders, adjusted to (i) exclude investment fair value changes, net; (ii) exclude realized gains and losses; (iii) exclude acquisition-related expenses; (iv) exclude certain organizational restructuring charges, as applicable; and (v) reflect a hypothetical income tax adjustment associated with these items.

EAD ROE is defined as EAD divided by average common equity.

EAD per basic common share is calculated as EAD divided by the basic weighted average number of common shares outstanding during the period.

Core Segments EAD, Core Segments EAD ROE and Core Segments EAD per Basic Common Share

Core Segments EAD, Core Segments EAD ROE and Core Segments EAD per basic common share are non-GAAP measures and are used to present management’s non-GAAP analysis of the combined performance of the Company’s mortgage banking platforms and related investments (which are defined as the "Core Segments" and which consist of the Company’s Sequoia Mortgage Banking, Aspire Mortgage Banking, CoreVest Mortgage Banking and Redwood Investments segments), inclusive of an allocated portion of the Company’s Corporate segment relating to those Core Segments. Core Segments EAD excludes the Company’s Legacy Investments segment and excludes an allocated portion of the Company’s Corporate segment relating to the Legacy Investments segment.

Core Segments EAD is defined as: GAAP net income (loss) available (related) to common stockholders adjusted to (i) exclude GAAP net loss from the Legacy Investments Segment, (ii) exclude the portion of the Corporate Segment allocation relating to the Legacy Investments segment, (iii) exclude investment fair value changes, net; (iv) exclude realized gains and losses; (v) exclude acquisition-related expenses; (vi) exclude certain organizational restructuring charges (as applicable); and (vii) adjust for the hypothetical income taxes associated with these adjustments.

Core Segments EAD ROE is calculated as Core Segments EAD divided by the average capital utilized by the Core Segments during the period, which represents management's internal estimate of the average economic capital allocated to support Core Segments activities. Average capital utilized by the Core Segments was $738 million and $737 million for the three months ended September 30, 2026 and June 30, 2026, respectively.

Core Segments EAD per basic common share is calculated as Core Segments EAD divided by the basic weighted average number of common shares outstanding during the period.

Mortgage Banking Return on Capital ("ROC")

ROC for the combined Mortgage Banking platforms is a non-GAAP measure calculated as annualized net income for the Company's combined Mortgage Banking platforms, divided by the average capital utilized by the combined Mortgage Banking platforms for the period. Average capital utilized represents management's internal estimate of the average capital deployed to support the activities of these platforms and was $422 million and $485 million for the three months ended September 30, 2026 and June 30, 2026, respectively.

Redwood Investments Recourse Leverage Ratio

Redwood Investments recourse leverage ratio is defined as recourse debt at Redwood Investments divided by capital invested. At September 30, 2026 recourse debt excludes $24.3 billion of consolidated securitization debt (ABS issued and servicer advance financing), other liabilities and other debt at Redwood Investments that is non-recourse to Redwood. Capital invested in our Redwood Investments segment at September 30, 2026 was $875 million.

Legacy Investments Recourse Leverage Ratio

Legacy Investments recourse leverage ratio is defined as recourse debt at Legacy Investments divided by capital invested. At September 30, 2026 recourse debt excludes $239 million of consolidated securitization debt (ABS issued), other liabilities and other debt at Legacy Investments that is non-recourse to Redwood. Capital invested in our Legacy Investments segment at September 30, 2026 was $116 million.

Recourse Leverage Ratio

Recourse leverage ratio is defined as recourse debt divided by capital invested. At September 30, 2026 and June 30, 2026 recourse debt excludes $25.1 billion and $23.4 billion, respectively, of consolidated securitization debt (ABS issued), other liabilities and other debt that is non-recourse to Redwood. Capital invested at September 30, 2026 and June 30, 2026 was $803 million and $904 million, respectively.

Non-GAAP Disclosures (continued)

Reconciliation of GAAP to Non-GAAP EAD – Third Quarter 2026 [1]

	Three Months Ended September 30, 2026							
($ in millions)	**Sequoia Mortgage Banking**	**Aspire Mortgage Banking**	**CoreVest Mortgage Banking**	**Redwood Investments**	**Total Core Segments***	**Legacy Investments**	**Corporate/Other** [2]	**Total**
GAAP Net Income (Loss)	$ 32.3	$ (5.4)	$ 0.1	$ (4.4)	**$ 22.6**	$ (45.0)	$ (24.9)	**$ (47.3)**
EAD Adjustments:								
Investment fair value changes, net [3]	—	—	—	16.0	**16.0**	22.4	—	**38.4**
Realized (gains)/losses, net [4]	—	—	—	—	**—**	—	4.0	**4.0**
Acquisition related expenses [5]	—	—	2.0	—	**2.0**	—	—	**2.0**
Tax effect of adjustments [6]	—	—	(0.5)	2.0	**1.5**	—	—	**1.5**
Non-GAAP EAD*	**$ 32.3**	**$ (5.4)**	**$ 1.6**	**$ 13.5**	**$ 42.1**	**$ (22.6)**	**$ (20.9)**	**$ (1.4)**
Adjustment for allocation of Corporate segment [2]	(8.5)	(2.0)	(0.9)	(7.3)	(18.7)	(2.3)	20.9	—
Non-GAAP EAD* with Allocated Corporate Segment	**$ 23.8**	**$ (7.4)**	**$ 0.7**	**$ 6.2**	**$ 23.4**	**$ (24.9)**	**$ —**	**$ (1.4)**

GAAP Net Income (loss)	**$ (47.3)**
EAD*	**$ (1.4)**
Core Segments EAD*	**$ 23.4**
GAAP Net Income (loss) per Basic Common Share	**$ (0.39)**
EAD per Basic Common Share*	**$ (0.02)**
Core Segments EAD per Basic Common Share*	**$ 0.18**
Return on Equity ("ROE") (annualized) [7]	**(22.8)%**
EAD ROE (annualized)*	**(0.7)%**
Core Segments EAD ROE (annualized)*	**12.7 %**

* Represents a non-GAAP financial measure. Refer to prior "Non-GAAP Financial Measures" section for additional information.

Reconciliation of GAAP to non-GAAP EAD – Second Quarter 2026 [1]

	Three Months Ended June 30, 2026							
($ in millions)	**Sequoia Mortgage Banking**	**Aspire Mortgage Banking**	**CoreVest Mortgage Banking**	**Redwood Investments**	**Total Core Segments***	**Legacy Investments**	**Corporate/Other** [2]	**Total**
GAAP Net Income (Loss)	$ 31.6	$ 7.3	$ 1.2	$ 0.7	**$ 40.8**	$ (23.3)	$ (20.4)	**$ (2.9)**
EAD Adjustments:								
Investment fair value changes, net [3]	—	—	—	10.2	**10.2**	12.3	—	**22.5**
Realized (gains)/losses, net [4]	—	—	—	—	**—**	—	—	**—**
Acquisition related expenses [5]	—	—	2.0	—	**2.0**	—	—	**2.0**
Tax effect of adjustments [6]	—	—	(0.4)	(0.9)	**(1.3)**	—	—	**(1.3)**
Non-GAAP EAD*	**$ 31.6**	**$ 7.3**	**$ 2.8**	**$ 10.0**	**$ 51.7**	**$ (11.0)**	**$ (20.4)**	**$ 20.3**
Adjustment for allocation of Corporate segment [2]	(7.5)	(1.9)	(1.0)	(7.3)	(17.7)	(2.7)	20.4	—
Non-GAAP EAD* with Allocated Corporate Segment	**$ 24.1**	**$ 5.4**	**$ 1.8**	**$ 2.7**	**$ 34.0**	**$ (13.7)**	**$ —**	**$ 20.3**

GAAP Net Income (loss)	**$ (2.9)**
EAD*	**$ 20.3**
Core Segments EAD*	**$ 34.0**
GAAP Net Income (loss) per Basic Common Share	**$ (0.03)**
EAD per Basic Common Share*	**$ 0.15**
Core Segments EAD per Basic Common Share*	**$ 0.25**
Return on Equity ("ROE") (annualized) [7]	**(1.3)%**
EAD ROE (annualized)*	**9.6 %**
Core Segments EAD ROE (annualized)*	**18.5 %**

* Represents a non-GAAP financial measure. Refer to prior "Non-GAAP Financial Measures" section for additional information.

1. Certain totals may not foot due to rounding.
2. Allocation of Corporate Segment is based on the average capital utilized by the segment during the period, which represents management's internal estimate of the average economic capital allocated to support the activities of each segment.
3. Investment fair value changes, net includes all amounts within that same line item in our consolidated statements of (loss) income that are attributable to each segment, which primarily represents both realized and unrealized gains and losses on our investments held in each segment and associated hedges. Realized and unrealized gains and losses on our HEI investments are reflected in a separate line item on our consolidated income statements titled "HEI (loss) income, net."
4. Realized (gains)/losses, net includes all amounts within that line item on our consolidated statements of (loss) income that are attributable to each segment.
5. Acquisition related expenses include transaction costs paid to third parties, as applicable, and the ongoing amortization of intangible assets related to the Riverbend and CoreVest acquisitions.
6. Tax effect of adjustments represents the hypothetical income taxes associated with EAD adjustments used to calculate each segment's EAD.
7. ROE consists of consolidated GAAP net income annualized divided by average common equity for the period.

About Redwood Trust

Redwood Trust, Inc. (NYSE: RWT) 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. 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. This reflects how we manage and organize our business and may differ from the manner in which our reportable segments are presented for financial reporting purposes.

Our goal is to provide attractive returns to shareholders through earnings and dividends, capital appreciation, and a commitment to technological innovation that facilitates risk-minded scale. Redwood Trust is internally managed and is currently structured as a real estate investment trust ("REIT") for tax purposes. The Company has announced a plan to transition to a C-corporation beginning with its 2027 tax year. For more information about Redwood, please visit our website at www.redwoodtrust.com or connect with us on LinkedIn.

***Cautionary Statement; Forward-Looking Statements**:*

This press release and the related conference call contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding Redwood's plan to transition to a taxable C-corporation in 2027 and the expected $0.73 - $0.77 per share increase in GAAP book value in the fourth quarter of 2026 associated with such transition, Redwood's Q4 2026 business priorities, including expected resolutions in the Legacy Investment segment during the fourth quarter and reductions in the associated earnings and financing burden beginning in Q1 2027, prioritization of opportunistic repurchases of unsecured debt at attractive discounts, and a return to organic book value growth beginning in Q1 2027, and the expected timing for the filing of Redwood's Quarterly Report on Form 10-Q. Forward-looking statements involve numerous risks and uncertainties. Redwood's actual results may differ from Redwood's 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. Important factors that could cause actual results to differ materially include, among others: Redwood’s fourth quarter 2026 financial results; the outcome of final tax and accounting determinations, including the measurement of deferred taxes and any valuation allowance; changes in tax laws; limitations on Redwood’s ability to use its net operating loss carryforwards and other tax attributes; and the risk that the expected benefits of the transition are not realized. These forward-looking statements are also subject to risks and uncertainties, including, among other things, those described in our Annual Report on Form 10-K for the 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 Securities and Exchange Commission, including reports on Forms 10-K, 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.

CONTACTS
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Email: investorrelations@redwoodtrust.com

Exhibit 99.2

REDWOOD TRUST

Shareholder Letter

Third Quarter 2026







Dear Fellow Shareholders,

After 32 years as a real estate investment trust ("REIT"), Redwood is preparing to enter a new chapter in its history. Today, we are announcing our plan to transition from a REIT to a taxable C-corporation beginning in 2027, a significant milestone in our ongoing commitment to drive long-term shareholder value. We expect this transition to generate an initial benefit to GAAP book value of approximately $0.73 to $0.77 per share in the fourth quarter of 2026, while creating a pathway toward a lower cost of debt and equity capital over time.

While Redwood has continually evolved since its founding in 1994, the transformation of our business towards a true operating platform has accelerated meaningfully over the past few years. Building on organic growth and several strategic acquisitions, we've achieved great success in scaling our mortgage banking businesses and significantly expanding our strategic relevance to the housing market. Since 2024, we have successfully raised over $1 billion of third-party capital through strategic joint ventures and partnerships, allowing us to leverage our partners' cost of capital to scale our businesses without requiring additional common equity. This shift has defined who Redwood is today: ***A premier capital partner to loan originators and real estate investors, with deep underwriting and asset management expertise, and market-leading securitization and whole-loan distribution programs.***

Our third-quarter results demonstrate both the earnings capacity of our franchise and the importance of the changes we are undertaking. Despite one of the most challenging interest rate environments in recent years, our mortgage banking platforms generated a 26% annualized return on capital in the third quarter — the ninth consecutive quarter of operating returns exceeding 20% — while distributing $8.8 billion of mortgage loans through securitizations, whole-loan sales and joint ventures.

Yet the earnings strength of our operating franchise has not translated into sustained book value growth, in part because a substantial amount of capital has been returned to shareholders through dividends rather than retained within the business. Since the beginning of 2024, Redwood has distributed $1.93 per share in common dividends, with reported book value declining over the same period by $2.08 per share. While legacy investment losses and market volatility have contributed to this decline, our REIT status has also limited our ability to retain and reinvest the earnings generated by our operating businesses, at an increasing opportunity cost as our operating platforms have profitably scaled. As our business has evolved, we believe our capital allocation framework must evolve with it.

Our Strategy and Competitive Advantage

Through Sequoia, Aspire and CoreVest, we have built a differentiated mortgage banking enterprise supported by an extensive network of more than 200 mortgage loan sellers, with exclusive relationships with many of the nation's largest banks — including over 70% of the top 100 U.S. banks by asset size — along with the leading independent mortgage banks. In keeping with our namesake, this network has been built through trust in Redwood and is supported by substantial investments in underwriting, technology and shared operational infrastructure.

We provide services to non-Agency mortgage loan originators that very few others can. Unlike the Agency market, where standardized products and liquid hedging instruments are ubiquitous, non-Agency lending requires specialized expertise in pricing, underwriting and managing interest rate and credit risk. We deliver reliable liquidity to these partners across a broad range of product types and market conditions.

Our sourcing network complements our securitization prowess, where we have issued more transactions since the Great Financial Crisis than anyone else. Our AAA securities are synonymous with quality, and routinely price at the lowest yields in the market. They are used to set pricing across the non-Agency sector, including at banks to inform retail mortgage rates they offer consumers. Similarly, our joint venture capital partnerships leverage our asset management capabilities and operations, resulting in a cost per loan that has declined from 155 basis points in 2023 to 38 basis points in 2026.

Our Business Has Evolved Beyond the Traditional REIT Model

As the country emerged from the COVID-19 pandemic, institutional capital increasingly flowed into private credit funds, attracted in part by differences in accounting treatment, regulatory capital requirements and funding costs. This shift reinforced our decision to focus on Redwood's operating platforms and the ability to create and manage mortgage assets for third-party investors.

The transformation has been significant. Despite persistently subdued housing activity, driven largely by the mortgage rate "lock-in effect", our mortgage banking production has grown from approximately $5 billion in 2023 to more than $30 billion over the last twelve months. This growth has deepened liquidity in our flagship Sequoia RMBS shelf and deepened our competitive advantage with a diverse and growing seller base.

It has also driven a new approach to capital allocation, favoring durable operating earnings in lieu of long-term investments more efficiently owned by our partners. And as our business mix has shifted, so have the relative benefits of our REIT structure. A substantial majority of our earnings now come from mortgage banking activities within taxable subsidiaries and are subject to corporate income tax regardless of our REIT status.

Benefits of Aligning Our Strategy and Corporate Structure

Our operating platforms require capital to finance loan inventory, manage market risk and retain certain securitization investments. Institutional partnerships help us scale with third-party capital, but continued growth also requires reinvesting our own earnings and capital in these platforms — an ability now constrained by REIT distribution requirements and their impact on our dividend policy. As such, greater flexibility to retain capital and use our tax assets now better supports our long-term strategy and will result in greater value to our shareholders over time.

With this in mind, we believe the transition to a C-corporation presents three tangible and near-term economic benefits that can improve Redwood's earnings power, strengthen our balance sheet and support long-term shareholder value creation.

First, we expect to unlock significant value from our existing tax assets. Unique to our business, transitioning to a C-corporation will enable us to recognize an estimated initial deferred tax asset of $85 million to $90 million in the fourth quarter of 2026, representing an estimated $0.73 to $0.77 increase in our GAAP book value per share (estimated benefit as of September 30, 2026). This jump is due to the likelihood of us now utilizing our substantial federal and state net operating loss carryforwards (NOLs) to meaningfully reduce cash income taxes over a multi-year period, subject to applicable federal and state limitations. We could also see further benefits over the intermediate term as our business grows, potentially representing meaningful economic value not reflected in the deferred tax asset we expect to recognize in the fourth quarter of 2026 under our transition plan.

Second, transitioning to a C-corporation will provide greater flexibility to retain and reinvest earnings in our business. As part of the C-corporation Conversion plan, the Board is realigning the Company's quarterly dividend policy to the level of $0.02 per common share – a level consistent with banks, asset managers and specialty finance companies with comparable operating models – allowing the Company to retain and reinvest a greater portion of its earnings. The new quarterly dividend policy is expected to become effective upon the Board's declaration of the fourth quarter 2026 common stock dividend in December 2026. At current market conditions, we believe this retained capital should be used primarily to reduce our corporate leverage and, secondarily, to reinvest back into our operating platforms as a supplement to third-party capital – uses we believe will unlock our full potential. We believe the opportunity to compound retained earnings and support future growth of the business is compelling. For common stockholders focused on current dividend returns, we have announced a plan to conduct an exchange offer under which common shares could be exchanged, at the holder's option, for a new series of preferred stock with a dividend yield aligned for income-oriented investors. Please see our separate press release, published today, which contains the details of this planned exchange offer.

Third, we believe the transition creates a pathway toward a structurally lower cost of capital over time. The terms of Redwood's existing unsecured debt financing reflect many of the constraints traditionally associated with mortgage REITs, while our recurring mortgage banking earnings increasingly resemble those of established mortgage originators and specialty finance companies. Those (non-REIT) operating platforms trade primarily on a price-to-earnings multiple basis rather than on price-to-book or dividend yield, as Redwood and other mortgage REITs do today. Their ability to retain capital facilitates wider access to unsecured debt and equity markets, with debt covenant packages aligned with their balance-sheet and earnings profile. As a substantial portion of our existing debt has a call feature – including over 80% of our unsecured debt by the end of 2028 – we expect to pursue opportunities to access the institutional rated debt markets, potentially replacing higher-cost obligations with more conventional corporate financing at a lower cost of capital.

Business Priorities

We believe the combination of our C-corporation transition plan, continued Legacy Investment resolutions and disciplined capital allocation creates a meaningful opportunity to improve Redwood's financial performance beginning in 2027. These improvements are not dependent on a recovery in mortgage market activity, but rather on actions substantially within our control. The capital retained under our revised dividend framework, together with proceeds from Legacy Investment resolutions and working capital released through our institutional joint venture partnerships, will provide additional resources to reduce debt and improve our financial flexibility. For example, our taxable operating businesses have historically incurred federal income taxes despite significant offsetting tax attributes elsewhere in our structure. At an illustrative $30 million of quarterly taxable income, available NOLs could offset approximately $0.05 to $0.06 per share in quarterly taxes over a multi-year period, until our NOLs are fully utilized.

We will also continue evaluating our expense infrastructure against the market opportunity ahead, preserving the specialized capabilities that differentiate Redwood while ensuring our operating costs remain appropriate for the volumes and returns available. Approximately 60% of our overall costs are variable and tied to performance, allowing our expenses to flex dynamically as markets dynamics change.

Our Long-Term Opportunity

Redwood remains a mission-driven organization. That mission is to make quality housing, whether rented or owned, accessible to all American households. Historically, that has practically entailed providing liquidity to homebuyers who are not well served by federal government loan programs. But more recently, the practical appeal of our mission has taken on a much more transformational meaning.

For half a century, American homeownership has rested on a simple bargain: to make the 30-year fixed-rate mortgage work on a national scale. This has required borrowers to conform to loan underwriting standards prescribed by Fannie Mae, Freddie Mac, and the Federal Housing Administration. But the need for conformance is rapidly changing thanks to the potential of agentic AI. We believe the future of housing finance will be based on customizing mortgages around each borrower, with no loss of speed or quality at scale. AI agents now make the scarcity value of skilled labor obsolete – they work around the clock, read every page of every file, and apply every guideline the same way for every loan application. With skilled judgment more abundant, mortgages can be built around the homebuyer’s unique profile without giving up speed, cost, or consistency. This revolution is something we call “customization at scale” and is a driver behind our “MedPro” Medical Professionals program and a number of other programs we expect to launch in the coming months.

Redwood is building this future today. We are transforming into an agentic enterprise on an AI-native premise, rebuilding how a mortgage is priced, underwritten, and distributed, while our people focus on expert judgment, relationships, and new products. AI solutions deployed across Redwood have already saved more than 28,000 employee hours per year in 2026, and our engineers have surpassed their full-year 2025 deliverables and velocity with no net additions to headcount.

With these innovations, we expect the lines between Agency and non-Agency loan programs will continue to evolve, and the opportunities for us to realize our mission will grow dramatically. We believe the age of customization at scale is upon us.

Thank you for your support.



Christopher J. Abate
Chief Executive Officer



Dashiell I. Robinson
President



Brooke E. Carillo
Chief Financial Officer

Note to Readers

We file annual reports (on Form 10-K) and quarterly reports (on Form 10-Q) with the Securities and Exchange Commission. These filings, our Redwood Review presentation and our earnings press releases provide information about Redwood and our financial results in accordance with generally accepted accounting principles (GAAP). These documents, as well as information about our business and a glossary of terms we use in this and other publications, are available through our website, www.redwoodtrust.com. We encourage you to review these documents. Within this document, in addition to our GAAP results, we may also present certain non-GAAP measures. When we present a non-GAAP measure, we provide a description of that measure and a reconciliation to the comparable GAAP measure within the "Non-GAAP Financial Measures" section of Redwood's third quarter 2026 earnings release, included in a Current Report on Form 8-K filed with the SEC on November 3, 2026. References herein to "Redwood," the "company," "we," "us," and "our" include Redwood Trust, Inc., and its consolidated subsidiaries. Note that because we generally round numbers in tables to millions, except per share amounts, some numbers may not foot due to rounding. References to the "second quarter" refer to the quarter ended June 30, 2026, and references to the "third quarter" refer to the quarter ended September 30, 2026, unless otherwise specified.

Cautionary Statement; Forward-Looking Statements

This shareholder letter may 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 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," "could" and similar expressions or their negative forms, or by references to strategy, plans, goals, 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 under the caption "Risk Factors." Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected are described below and may be described from time to time in reports we file with the Securities and Exchange Commission, including reports on Forms 10-K, 10-Q, and 8-K. We undertake no obligation to update or revise 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: statements we make regarding Redwood's business strategy and strategic focus; statements related to our financial outlook and expectations for 2026, 2027, and future years; statements regarding Redwood's plan to transition to a taxable C-corporation in 2027, the estimated $85 million to $90 million tax asset expected to be recognized in the fourth quarter of 2026 associated with such transition, representing an estimated $0.73 to $0.77 increase in GAAP book value per share (estimated benefit as of September 30, 2026), the likelihood of meaningfully reducing cash income taxes over a multi-year period, and the ability to lower our cost of capital over time, Redwood's business priorities, including opportunistic repurchases of unsecured debt, a return to organic book value growth beginning in Q1 2027, expected resolutions in the Legacy Investment segment and associated improvements to Redwood's consolidated earnings, our plan to conduct an exchange offer, and expected efficiency gains from AI and technology initiatives.

REDWOOD

TRUST


Exhibit 99.3
Q3 2026 Redwood Review
November 3, 2026
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Cautionary Statement/ Forward-Looking Statements

This presentation contains forward-looking statements, including statements regarding our 2026 and 2027 forward outlook and strategic priorities, key drivers to increase earnings, book value, mortgage banking volumes and market share and statements regarding our plan to transition to a taxable C-corporation in 2027 and the expected benefits associated with such transition, including an estimated $0.73 - $0.77 increase in GAAP book value per share expected in the fourth quarter of 2026, $70 - $75 million in incremental cash retained annually from the projected common stock dividend reset, statements regarding reducing our tax liability on future operating earnings, including $20 - $25 million in illustrative annual cash tax savings, and statements regarding our ability to reduce our cost of capital over time, including $9 million potential annual savings per 100bps reduction in unsecured borrowing costs, and our planned preferred stock exchange offer and reverse stock split.

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 the Company’s Annual Report on Form 10-K for the year ended December 31, 2025 and any subsequent Quarterly Reports on Form 10-K, Form 10-Q and Form 8-K under the caption “Risk Factors.”

Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports the Company files with the Securities and Exchange Commission, including Current Reports on Form 8-K.

Additionally, this presentation contains estimates and information concerning our industry, including market size and growth rates of the markets in which we participate, that are based on industry publications and reports. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates.

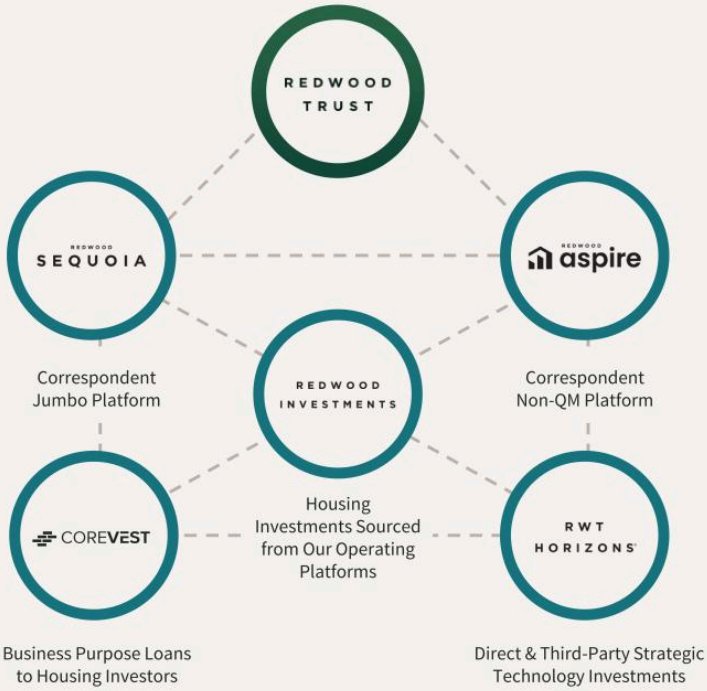
We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those referred to above, that could cause results to differ materially from those expressed in these publications and reports.

Redwood’s plan to transition to a taxable C-corporation in 2027 and the expected $0.73 - $0.77 per share increase in GAAP book value in the fourth quarter of 2026 associated with such transition, Redwood’s Q4 2026 business priorities, including expected resolutions in the Legacy Investment segment during the fourth quarter and reductions in the associated earnings and financing burden beginning in Q1 2027, prioritization of opportunistic repurchases of unsecured debt at attractive discounts, and a return to organic book value growth beginning in Q1 2027, and the expected timing for the filing of Redwood’s Quarterly Report on Form 10-Q.

INTRODUCTION

Redwood Trust is the Leading Non-Agency Real Estate Platform

Through our operating businesses and related investments, we provide liquidity to parts of the housing market not well-served by government programs



Redwood Connects Housing Finance with the Broader Capital Markets



* All stats represent lifetime to date numbers. B indicates dollars in billions.
Detailed Endnotes are included at the end of this presentation.

Planned Transition to a C-Corporation


An Evolution to Support Our Next Phase of Growth
Today's announcements advance our next chapter and build on our ongoing strategic transition
CORPORATE STRUCTURE
Planned Transition to a C-Corporation
Align our structure with our mortgage banking business model and enhance long-term value
CAPITAL ALLOCATION
Planned Preferred Stock Exchange Offer
Provide income-oriented shareholders an alternative investment option
NOL Rights Plan
Protect tax assets
Reverse Stock Split
Broaden investor appeal
"There may be a day when we outgrow our REIT structure" — Chris Abate, Redwood Trust CEO; Investor Day remarks, March 2024
"Today's announcement marks a new chapter for Redwood" — Chris Abate, Redwood Trust CEO; Earnings remarks, November 2026

A Strategic Transition is the Next Logical Step in Value Creation for Shareholders

After 32 years as a REIT, Redwood is entering a new chapter in its history with its planned transition to a C-corporation, effective in the 2027 taxable year[1]

WHAT IT MEANS FOR SHAREHOLDERS

- **Lowers Taxes & Improves Profitability**
  - Use existing tax assets to reduce taxes on future mortgage banking earnings
- **Strengthens the Balance Sheet**
  - Provides flexibility to retain and reinvest more earnings, prioritizing debt reduction and long-term book value growth
- **Lowers Cost of Capital**
  - Improves credit metrics and broadens access to institutional financing markets, creating opportunities to refinance higher-cost debt over time

$0.73–$0.77	$70-$75 million	$20-$25 million	$9 million
Estimated Q4'26 BVPS accretion from C-corporation transition[2]	Incremental cash retained annually from projected common dividend reset[3]	Illustrative annual cash tax savings[4]	Potential annual savings per 100bps reduction in unsecured borrowing costs[5]

Detailed Endnotes are included at the end of this presentation.

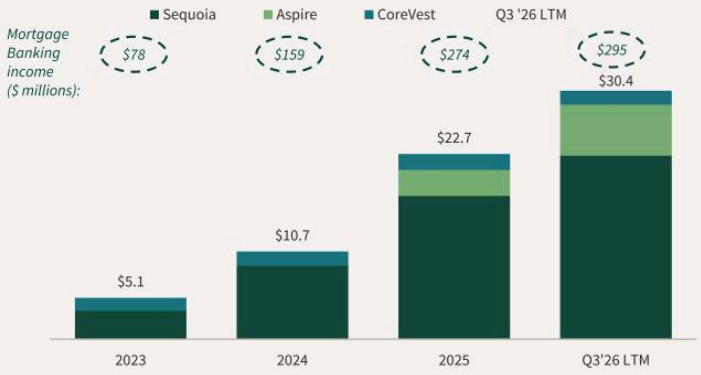
Our Mortgage Banking Business Has Outgrown the Traditional REIT Structure

Transitioning to a C-corporation allows us to put currently trapped tax benefits to work, reducing tax liability on future operating earnings

MORTGAGE BANKING PRODUCTION BY PLATFORM[1]

$ billions

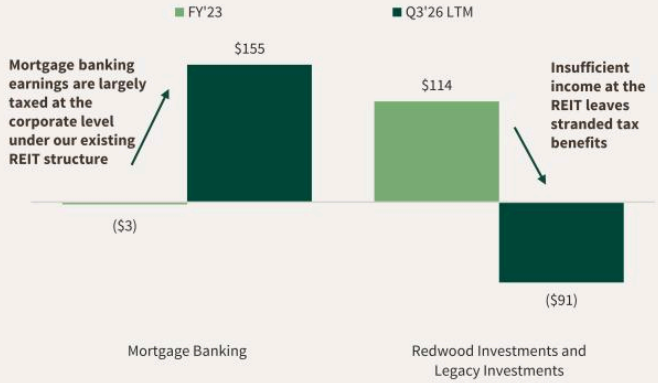
Mortgage banking production has grown consistently…



CONTRIBUTION TO GAAP INCOME BY SEGMENT

$ millions

…driving meaningful growth in contribution to GAAP Income

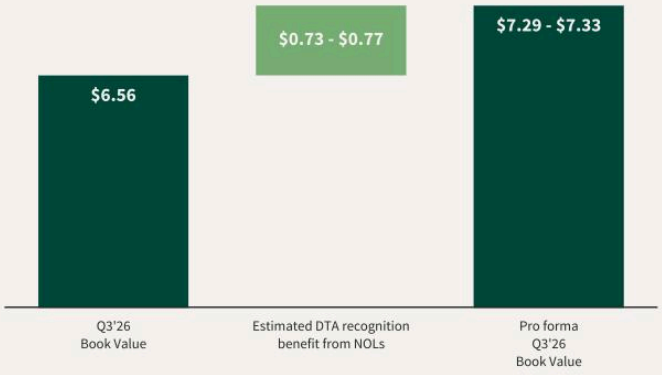


Detailed Endnotes are included at the end of this presentation.
Note: Mortgage Banking refers to the combined performance or data related to Sequoia Mortgage Banking, Aspire Mortgage Banking, and CoreVest Mortgage Banking segments.

Our C-Corporation Transition Creates a Clearer Path to Book Value Growth Beginning in 2027

- Since the start of 2024, common dividends distributed have approximated overall change in book value per share
- Our C-corporation transition plan unlocks Q4'26 book value accretion from existing tax assets, while greater earnings retention and lower cash taxes provide lasting economic benefits

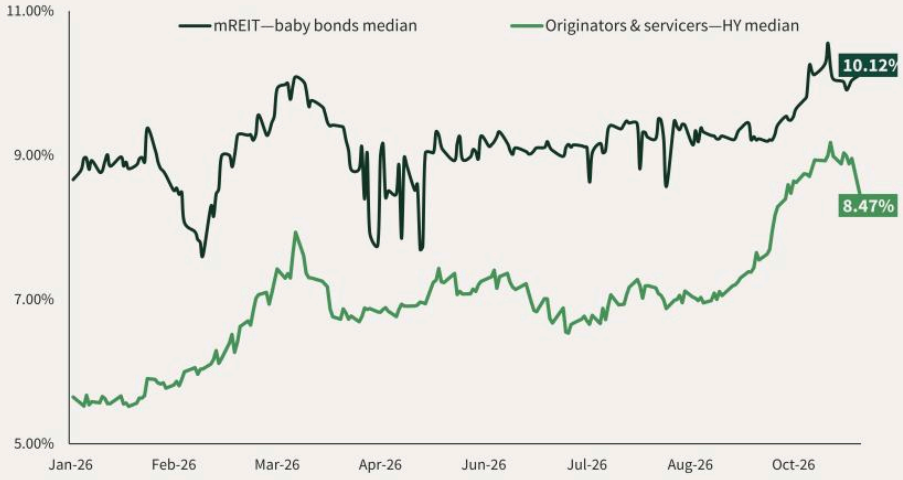
BOOK VALUE PER SHARE ESTIMATED DEFERRED TAX ASSET BENEFIT[1]



Detailed Endnotes are included at the end of this presentation.

C-Corporation Transition Expected to Lower Our Cost of Capital Over Time

COST OF CAPITAL



150 – 200 bps

Illustrative gap in market yields[1]

Broader investor base

Potential access to institutional high-yield and other investors beyond traditional mortgage REIT buyers

Stronger credit profile

Retained earnings build equity beneath unsecured debt, improving creditor protection over time

More flexible covenants

Opportunity to move toward debt covenants less dependent on unencumbered assets and asset-level eligibility

Detailed Endnotes are included at the end of this presentation.

Q3’26 Business Update

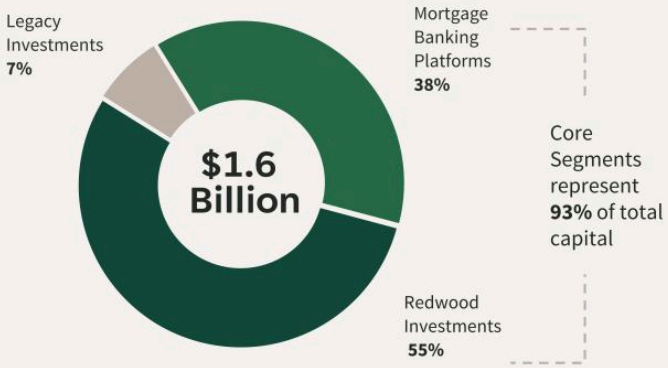
Third Quarter 2026 Financial Performance

($0.39) Consolidated GAAP EPS	**$6.56** Book Value Per Share (BVPS) (4.9%) QoQ Change at 9/30/2026	**(22.8%)** GAAP ROE
$0.18 Non-GAAP Core Segments EAD EPS*	**(2.3%)** *Total Economic* Return[1]	**12.7%** Non-GAAP Core Segments EAD ROE*

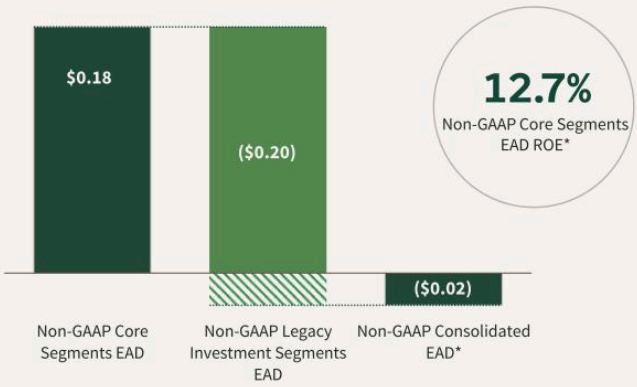
Detailed Endnotes are included at the end of this presentation.
*Non-GAAP Core Segments EAD EPS and Non-GAAP Core Segments EAD ROE are non-GAAP measures. See "Non-GAAP Financial Measures" slides for additional information.

Third Quarter 2026 Financial Performance (Continued)

SEGMENT CAPITAL COMPOSITION



NON-GAAP CORE SEGMENTS EAD PER SHARE*



Detailed Endnotes are included at the end of this presentation.
Note: Mortgage Banking refers to the combined performance or data related to Sequoia Mortgage Banking, Aspire Mortgage Banking, and CoreVest Mortgage Banking segments.
*Non-GAAP Core Segments EAD ROE, Non-GAAP Core Segments EAD, Non-GAAP Legacy Investments Segment EAD and Non-GAAP Consolidated EAD are non-GAAP measures.
See "Non-GAAP Financial Measures" slides for additional information.

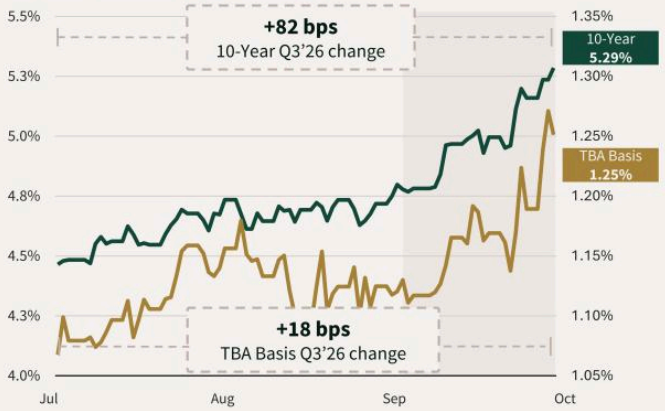
Core Segments Remained Resilient Amid Increased Volatility

Q3'26 BOOK VALUE PER SHARE ROLL-FORWARD

$ per share



10-YEAR TREASURY VS. TBA BASIS[1]



Detailed Endnotes are included at the end of this presentation.

Legacy Loan Dispositions Are Accelerating

- Legacy Investments resolutions create a meaningful opportunity to improve financial performance

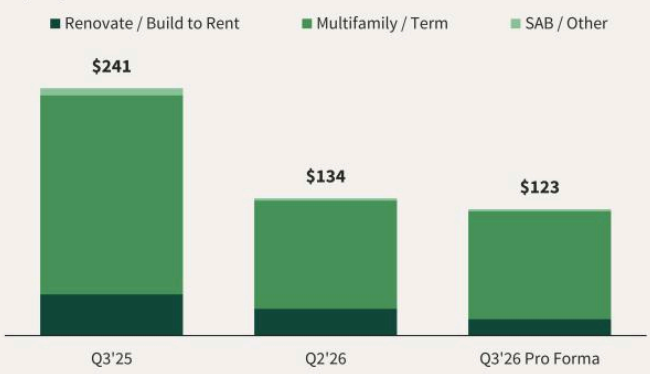
TOTAL LEGACY GROSS FAIR VALUE EXPOSURE[1]

$ millions



90+ DAY LEGACY LOAN DELINQUENCIES ON BALANCE SHEET[1]

$ UPB, millions

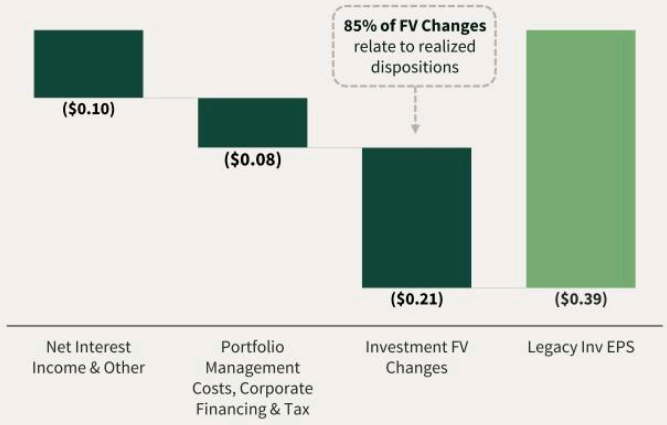


Detailed Endnotes are included at the end of this presentation.

Legacy Earnings Reflect Disposition-Related Marks

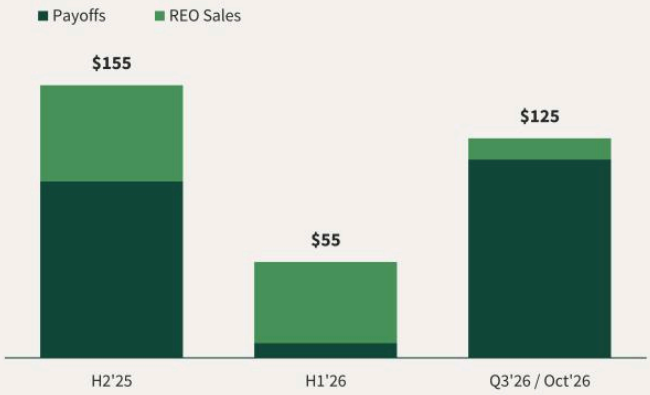
Q3'26 LEGACY INVESTMENTS SEGMENT EPS COMPONENTS[1]

$ per share



REALIZED PAYOFFS AND REO SALES

$ UPB, millions



Detailed Endnotes are included at the end of this presentation.

Disciplined Risk Management Delivers Strong Returns Through Market Cycles

10-YEAR TREASURY YIELD VS. RWT MORTGAGE BANKING VOLUME

RWT MB Volume (LHS) — Mortgage Banking ROC* — 10-Year Treasury (RHS)

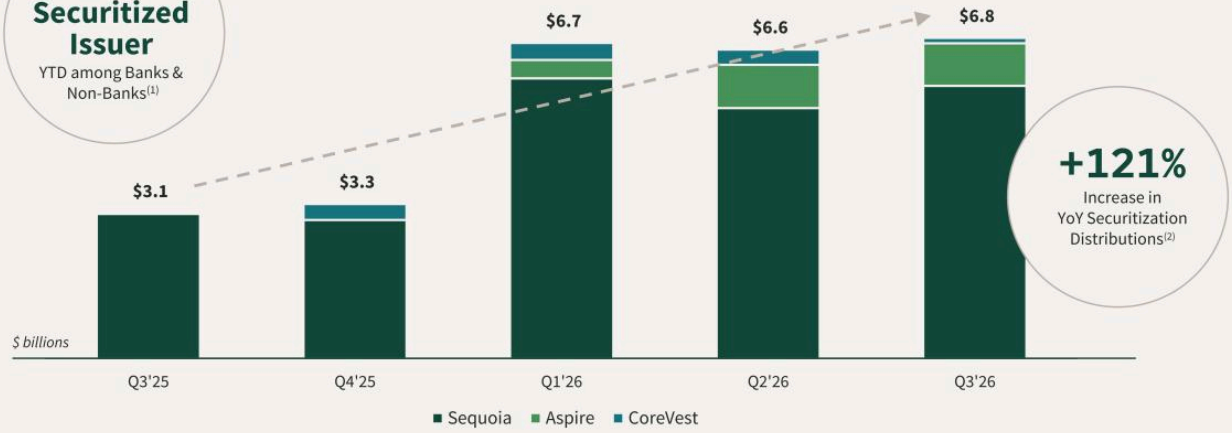
20%+ Return on Capital*
9 Consecutive Quarters



Detailed Endnotes are included at the end of this presentation.
Note: Mortgage Banking refers to the combined performance or data related to Sequoia Mortgage Banking, Aspire Mortgage Banking, and CoreVest Mortgage Banking segments.
* ROC is a non-GAAP measure. See "Non-GAAP Financial Measures" slides for additional information.

Robust Securitization Activity with Over $20 Billion in Issuance YTD

#1 Securitized Issuer
YTD among Banks & Non-Banks[1]



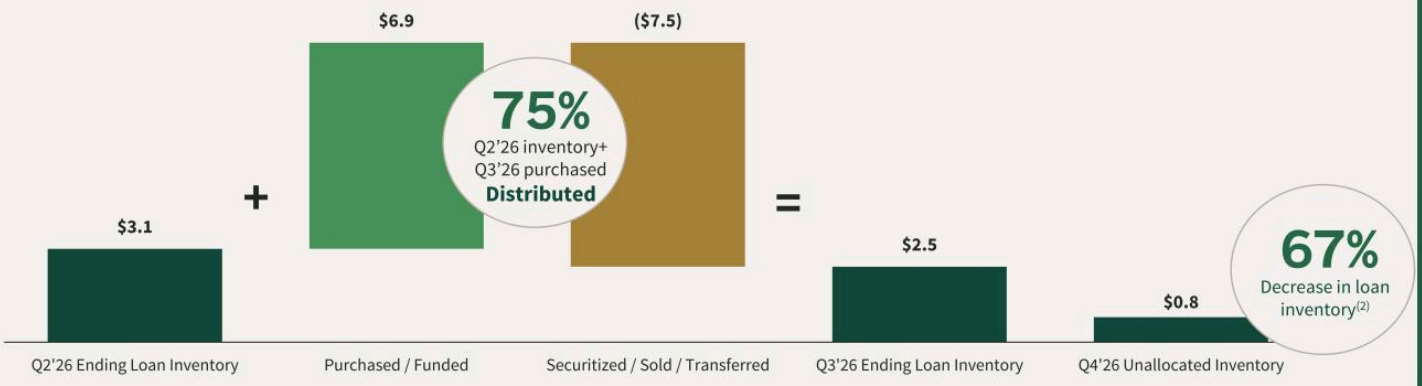
+121%
Increase in YoY Securitization Distributions[2]

Detailed Endnotes are included at the end of this presentation.

Proactive Pipeline Management Aligns with Market Conditions

MORTGAGE BANKING LOAN ACTIVITY[1]

$ billions

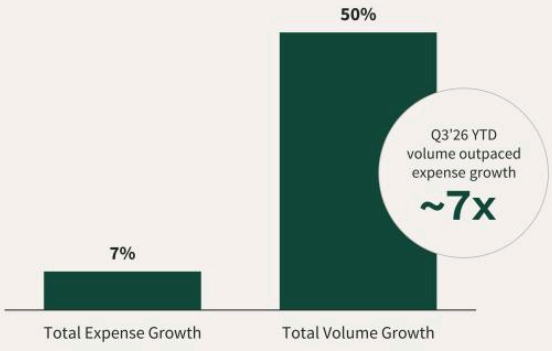


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Note: Mortgage Banking refers to the combined performance or data related to Sequoia Mortgage Banking, Aspire Mortgage Banking, and CoreVest Mortgage Banking segments.

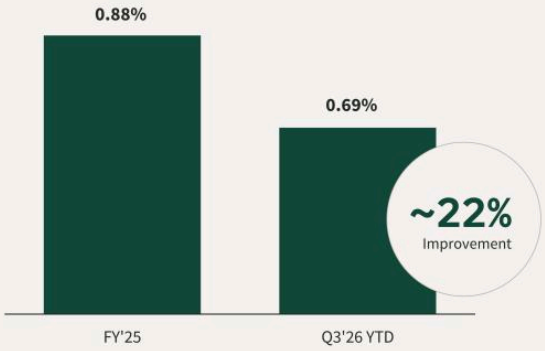
Maintaining Expense Efficiency as Production Scales

- Approximately 60% of our Q3'26-YTD cost base is variable and tied to production

TOTAL VOLUME[1] AND EXPENSE CHANGE[2]
(Q3'25-YTD vs. Q3'26-YTD)



TOTAL EXPENSE[2] AS % OF VOLUME[1]
(Total Expense / Volume)



Detailed Endnotes are included at the end of this presentation.

Sequoia / Aspire Joint Ventures Drive Accretive Capital Efficiency

HOW REDWOOD GENERATES EARNINGS FROM JVs | Income statement geography and illustrative financial impact

01 UPFRONT LOAN SALE
Mortgage banking activities, net

02 JV PROFIT PARTICIPATION
Other income / equity method

03 ADMINISTRATION FEES
Fee income / other income

ASSUMPTIONS | **$30 billion** illustrative annual production **30–40%** allocated to JVs **~40%** estimated returns with JVs on RWT capital

CASH FREED UP FROM WAREHOUSE CAPITAL[1]

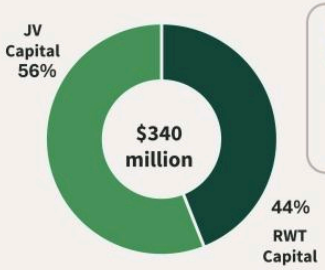
$ millions, illustrative



~$60 million
of cash freed up by JV-directed volume (~30% less) (illustrative)

LOWER CAPITAL NEEDED FOR RETAINED INVESTMENTS[1]

$ millions, illustrative



56%
Less capital required to fund investments we retain (illustrative)

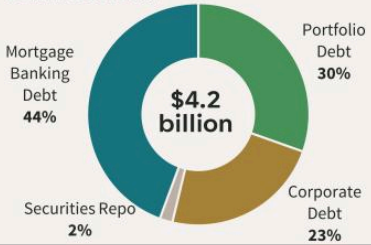
Detailed Endnotes are included at the end of this presentation.

Leverage Associated with Fast-Turning Assets

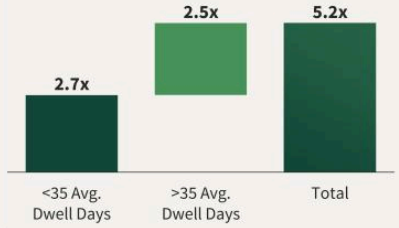
Growth in secured debt has been primarily driven by Mortgage Banking growth

- Rapid capital turnover across distribution channels accelerates deleveraging through cash generation
- Loans on balance sheet for an average of 32 days Q3'26-YTD[2]

SEGMENT RECOURSE COMPOSITION



RECOURSE LEVERAGE RATIO[1]



AVERAGE DAYS ON BALANCE SHEET[2]



Note: Mortgage Banking refers to the combined performance or data related to Sequoia Mortgage Banking, Aspire Mortgage Banking, and CoreVest Mortgage Banking segments.
Portfolio refers to Redwood Investments and Legacy Investments segments.
Detailed Endnotes are included at the end of this presentation.

Improved Financing Terms Support Growth

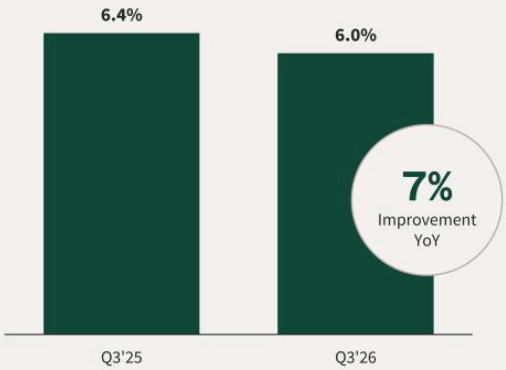
WAREHOUSE CAPACITY[1]

Renewed $7.1 billion of capacity since Q3'25



COST OF FUNDS[1]

Average warehouse financing costs improved vs prior year



Detailed Endnotes are included at the end of this presentation.

Sources of Capital to Drive Incremental Growth & Liability Management

SOURCES OF CAPITAL: CURRENT TO ILLUSTRATIVE PRO FORMA[1]

$ millions



WHERE FREED UP CAPITAL CAN GO

1 Liability Management

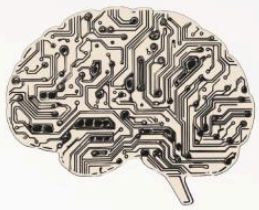
- Repayment of June 2027 convertible debt
- Accretive repayment of longer-dated unsecured debt

2 Mortgage Banking

Redeployment into operating platforms

Detailed Endnotes are included at the end of this presentation.

RWT Horizons: Technology & AI Update Q3'26



- Deployed agents in technology support and FP&A handling work that once required manual effort from staff and executives alike
- Delivered self-service data access to our Capital Markets Teams
- In the first nine months of 2026, our engineers surpassed their full-year 2025 deliverables and velocity with no net additions to headcount

AI IMPACT BY THE NUMBERS

~28,300
Annualized hours saved from AI-enabled automations

33%+
Increase in productivity efficiencies on the Engineering Team

90%+
Enterprise-wide AI adoption achieved

Horizons Investments Beginning to Realize Significant Value

RWT Horizons wrote one of the first checks to Closinglock, recently acquired by CertifID

RWT HORIZONS PORTFOLIO HIGHLIGHTS

Closinglock

Closinglock provides fraud prevention, workflow management, and digital payments to the real estate industry.

The acquisition by CertifID brings capital back to Redwood and additional exposure to FinTech and fraud prevention solutions.

Early-Stage AI Inference Startup*

RWT Horizons marked up a position 7x following a portfolio company's recent capital raise at a significantly higher valuation.

OTHER PORTFOLIO INVESTMENTS

hiddenweights* Sentient* Engramme*

Purlin Cortex Beams* Dwellsy*

TrustPoint AI Crosslayer Labs* FUTUREPROOF

bonus RENTROOM FLOCK Rigor*

rentbutter Haven Tongo LiquidFi

amenify LeaseLock freemodel Laminr

NeoCognition* Project Prometheus*

*These investments were made through an investment in Frontiers Capital

Third Quarter 2026 Earnings & Segment Results



Sequoia Q3'26 Performance Summary

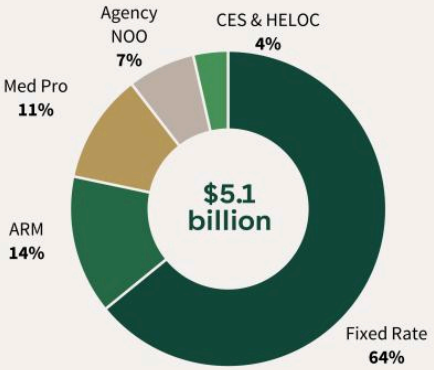
REDWOOD'S JUMBO RESIDENTIAL CORRESPONDENT PLATFORM

- $5.1 billion lock volume represents 40% Q3'26-YTD growth[1]
- Q3'26 lock volume reflects a diversified mix including 36% non-fixed rate products
- $5.8 billion of distribution activity across 10 securitizations[2]

QUARTER OVER QUARTER LOCK VOLUME[1]



Q3'26 LOCK VOLUME PRODUCT MIX[1]



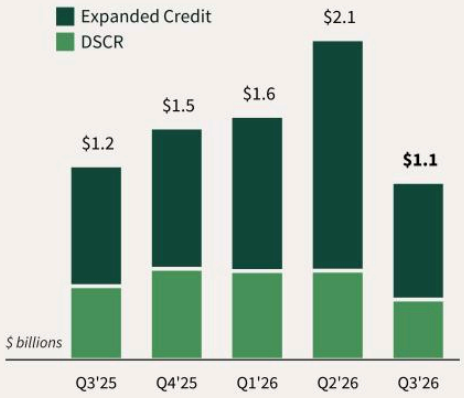
Detailed Endnotes are included at the end of this presentation.

Aspire Q3'26 Performance Summary

REDWOOD'S NON-QM CORRESPONDENT PLATFORM

- Q3'26 lock volume of $1.1 billion[1]
- Active network of over 165 sellers
- Growing share of Flow purchases now represents ~88% of volume

QUARTER OVER QUARTER LOCK VOLUME[1]



NON-QM AAA SPREADS[2] (BASIS POINTS)



Detailed Endnotes are included at the end of this presentation.

CoreVest Q3'26 Performance Summary

REDWOOD'S HOUSING INVESTOR LOAN PLATFORM

- Q3'26 funded volume of $406 million
  - Maintained pipeline integrity throughout Q3'26 amid a Fed rate hike
- 53% of Term/Bridge underlying properties have a vintage of less than 5 years
- Distributed $427 million of loans through direct sales, securitizations and JV transfers
- $189 million of Bridge loan fundings – highest since Q3'23

FUNDED VOLUMES



NET COST TO ORIGINATE[1]



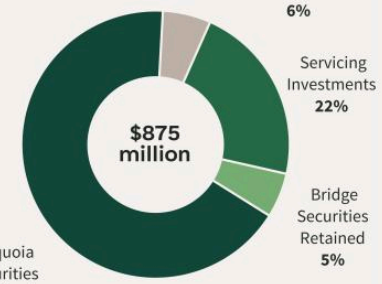
Detailed Endnotes are included at the end of this presentation.

Redwood Investments Q3’26 Performance Summary

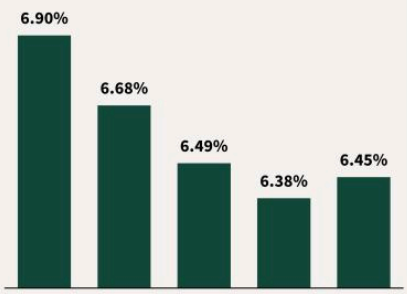
INVESTMENTS SOURCED DIRECTLY FROM OUR OPERATING PLATFORMS

- $67 million of capital deployed into retained investments created from third quarter securitization activity

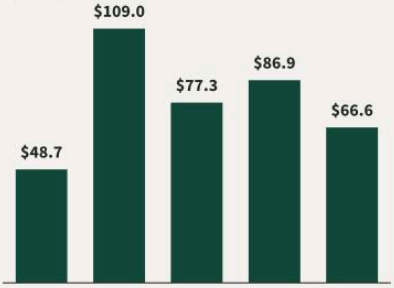
CAPITAL ALLOCATION



PORTFOLIO COST OF FUNDS(1)



PORTFOLIO CAPITAL DEPLOYED(2)



Detailed Endnotes are included at the end of this presentation.

Financial Results



Income Statement

($ in millions, except per share data)

	Three Months Ended	
	9/30/2026	6/30/2026
Net interest income	$ 40.6	$ 32.1
Non-interest income		
Mortgage banking activities, net	8.9	32.1
Investment fair value changes, net	(38.1)	(22.5)
HEI (loss) income, net	(3.7)	2.8
Servicing income, net	3.5	2.6
Fee income, net	2.2	3.0
Other income, net	3.5	6.0
Realized (losses) gains, net	(4.0)	—
Total non-interest income, net	$ (27.7)	$ 23.9
General and administrative expenses	(38.5)	(38.2)
Portfolio management costs	(11.0)	(7.0)
Loan acquisition costs	(6.6)	(6.0)
Other expenses	(7.0)	(4.7)
Benefit from (provision for) income taxes	4.6	(1.1)
Net loss	$ (45.5)	$ (1.1)
Dividends on preferred stock	(1.8)	(1.8)
Net loss related to common stockholders	**$ (47.3)**	**$ (2.9)**
Net Loss per basic and diluted common share	**$ (0.39)**	**$ (0.03)**

Detailed Endnotes are included at the end of this presentation.

Balance Sheet

($ in millions)

	9/30/2026	6/30/2026
Residential consumer loans	$ 25,173.2	$ 23,638.7
Residential investor loans	2,760.0	3,125.5
Real estate securities	470.0	480.9
Home equity investments (HEI)	326.2	339.7
Servicing Investments	293.0	290.8
Strategic Investments	113.1	97.1
Cash and cash equivalents	201.1	191.8
Other assets	1,062.5	653.5
Total assets	**$ 30,399.0**	**$ 28,818.1**
ABS issued	$ 24,154.8	$ 22,515.9
Debt obligations, net	4,717.0	4,956.6
Other liabilities	696.1	411.8
Total liabilities	**29,568.0**	**27,884.3**
Equity	831.0	933.8
Total liabilities and equity	**$ 30,399.0**	**$ 28,818.1**

Detailed Endnotes are included at the end of this presentation.

Capital Allocation Summary

($ in millions)

	As of September 30, 2026				As of 6/30/26
	Fair Value of Assets [1]	Recourse Debt	Non-Recourse Debt [2]	Total Capital	Total Capital
Sequoia Mortgage Banking					
Loans and other working capital [3]	$ 1,752	$ (1,114)	$ (364)	$ 275	$ 300
Aspire Mortgage Banking					
Loans and other working capital [3]	932	(757)	—	175	200
CoreVest Mortgage Banking					
Loans and other working capital [3]	208	(79)	—	130	128
Platform premium	28	—	—	28	30
Total CoreVest Mortgage Banking	236	(79)	—	158	158
Redwood Investments					
Sequoia Retained Investments	1,581	(539)	(441)	601	499
CoreVest Retained Investments	1,333	(267)	(968)	98	115
Third-Party Investments	192	(16)	—	176	189
Total Redwood Investments	3,106	(821)	(1,409)	875	804
Legacy Investments	682	(461)	(105)	116	195
Corporate [4]	215	(983)	—	(768)	(722)
Total / Equity	**$ 6,923**	**$ (4,215)**	**$ (1,878)**	**$ 831**	**$ 934**

Detailed Endnotes are included at the end of this presentation.

Mortgage Banking Key Results

($ in millions)

	Q3 2026				Q2 2026			
	Sequoia Mortgage Banking	Aspire Mortgage Banking	CoreVest Mortgage Banking	Total	Sequoia Mortgage Banking	Aspire Mortgage Banking	CoreVest Mortgage Banking	Total
Net interest income	$ 27.5	$ 6.7	$ 0.8	$ 34.9	$ 27.3	$ 3.6	$ 1.3	$ 32.1
Mortgage banking activities, net	11.6	(9.0)	6.4	8.9	12.9	9.2	9.9	32.1
Servicing income	—	0.1	—	0.1	—	—	—	—
Investment fair value changes, net	—	—	0.3	0.3	—	—	—	—
Fee Income. net	—	—	1.3	1.3	—	—	2.5	2.5
Other income, net	0.6	—	0.2	0.8	—	—	(0.2)	(0.2)
Mortgage banking income	39.6	(2.3)	9.0	46.3	40.2	12.8	13.5	66.5
Operating expenses	(8.9)	(3.8)	(12.2)	(24.9)	(8.2)	(3.9)	(12.5)	(24.6)
Benefit from (provision for) income taxes	2.4	0.8	3.4	6.6	0.1	(1.4)	0.3	(1.0)
Preferred Dividends	(0.8)	(0.1)	(0.1)	(1.0)	(0.5)	(0.2)	(0.1)	(0.8)
GAAP Net income (loss)	**$ 32.3**	**$ (5.4)**	**$ 0.1**	**$ 27.0**	**$ 31.6**	**$ 7.3**	**$ 1.2**	**$ 40.1**
Non-GAAP Adjustments:								
Acquisition related expenses	—	—	2.0	2.0	—	—	2.0	2.0
Organizational restructuring charges	—	—	—	—	—	—	—	—
Tax effect of adjustments	—	—	(0.5)	(0.5)	—	—	(0.4)	(0.4)
Non-GAAP EAD *	**$ 32.3**	**$ (5.4)**	**$ 1.6**	**$ 28.5**	**$ 31.6**	**$ 7.3**	**$ 2.8**	**$ 41.7**
Capital utilized (average for period) [1]	$ 317	73	$ 32	$ 422	$ 350	88	$ 47	$ 485
Return on Capital *	40.8 %	(29.7)%	1.6 %	25.6 %	36.1 %	33.2 %	10.0 %	33.1 %
EAD Return on Capital (non-GAAP) *	40.8 %	(29.7)%	19.7 %	27.0 %	36.1 %	33.2 %	23.5 %	34.4 %
Production Volumes								
CoreVest term loan fundings			$ 104.2				$ 186.6	
CoreVest bridge loan fundings			$ 301.4				$ 223.7	
Sequoia and Aspire loan locks	$ 5,088.0	$ 1,137.5			$ 5,560.6	$ 2,052.6		
Sequoia and Aspire loan purchase commitments (fallout adjusted)	$ 4,355.2	$ 762.9			$ 4,977.7	$ 1,450.1		

*Return on Capital ("ROC"), EAD and EAD Return on Capital ("EAD ROC") are non-GAAP measures. See "Non-GAAP Disclosures" slides for additional information.
Detailed Endnotes are included at the end of this presentation.

Redwood Investments Key Results

($ in millions)

	Three Months Ended	
	9/30/2026	6/30/2026
Net interest income	$ 18.9	$ 10.2
Investment fair value changes, net	(16.0)	(10.2)
HEI income, net	0.5	0.5
Servicing Income, net	3.4	2.6
Fee Income, net	0.9	0.5
Other income, net	1.9	5.2
Operating expenses	(10.0)	(6.6)
(Provision for) income taxes	(3.6)	(0.6)
Preferred Dividends	(0.4)	(0.8)
Net Income (GAAP)	**$ (4.4)**	**$ 0.7**
Non-GAAP Adjustments:		
Investment fair value changes, net	16.0	10.2
Tax effect of adjustments	2.0	(0.9)
EAD (non-GAAP) *	**$ 13.5**	**$ 10.0**
Average capital utilized	$ 596	$ 640
Less: average corporate debt utilized	(326)	(300)
Capital utilized (average for period)	**$ 270**	**$ 340**
Return on Capital *	(6.6) %	0.9 %
EAD Return on Capital (non-GAAP) *	20.0 %	11.8 %
At period end		
Carrying values of assets	$ 3,105.7	$ 2,919.3
Secured recourse debt	(821.4)	(683.7)
Secured non-recourse debt	(1,409.4)	(1,432.0)
Capital invested	$ 874.8	$ 803.6
Recourse leverage ratio [3]	0.9x	0.9x

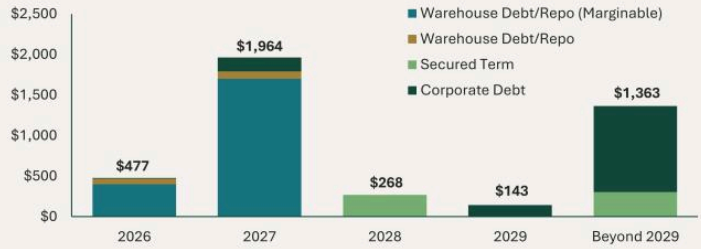
*Return on Capital ("ROC"), EAD and EAD Return on Capital ("EAD ROC") are non-GAAP measures. See "Non-GAAP Disclosures" slides for additional information.

Recourse Debt Balances

($ in millions)

	September 30, 2026							June 30, 2026	
	Secured Debt								
	Fair Value of Secured Assets	Non-Marginable Debt [1]	Marginable Debt [1]	Total Secured Debt	Unsecured Debt	Total Recourse Debt	Average Borrowing Cost [2]	Total Recourse Debt	Average Borrowing Cost [2]
Corporate debt	$ —	$ —	$ —	$ —	$ 983	$ 983	8.1 %	$ 902	8.3 %
Secured financing facility	901	400	—	400	—	400	9.1 %	371	8.7 %
Securities portfolio	875	476	86	562	—	562	7.0 %	474	7.0 %
Term loans	30	27	—	27	—	27	5.8 %	17	5.6 %
Bridge loans	209	140	—	140	—	140	7.3 %	171	6.9 %
Sequoia and Aspire loans[3]	1,939	—	1,860	1,860	—	1,860	5.5 %	2,424	5.3 %
HEI Options	140	89	—	89	—	89	7.5 %	42	8.2 %
MSR[4]	344	—	155	155	—	155	6.6 %	125	6.9 %
Total	**$ 4,439**	**$ 1,131**	**$ 2,101**	**$ 3,232**	**$ 983**	**$ 4,215**	**6.8 %**	**$ 4,526**	**6.5 %**

Recourse Debt Scheduled Maturities(1)(5) as of 9/30/2026



Detailed Endnotes are included at the end of this presentation.

Non-GAAP Financial Measures



Non-GAAP Financial Measures

To supplement consolidated and segment financial information prepared and presented in accordance with U.S. generally accepted accounting principles ("GAAP"), the Company also provides the following non-GAAP measures:

- Earnings Available for Distribution (“EAD”)
- EAD Return on Equity ("EAD ROE")
- EAD per Basic Common Share
- Core Segments Earnings Available for Distribution (“Core Segments EAD”)
- Core Segments EAD Return on Equity ("Core Segments EAD ROE")
- Core Segments EAD per Basic Common Share
- Mortgage Banking Return on Capital ("ROC")
- Redwood Investments Recourse Leverage Ratio
- Legacy Investments Recourse Leverage Ratio
- Recourse Leverage Ratio

Management believes these non-GAAP measures provide useful supplemental information to investors and management in evaluating the Company's operating performance, facilitating comparisons to industry peers, and assessing the current income-generating capacity of the Company's operating platforms as of the period presented. These measures also assist in evaluating the Company's ongoing transition to a more mortgage banking focused business model, including the wind-down of legacy portfolio holdings within the Legacy Investments segment.

These non-GAAP measures should not be utilized in isolation, nor should they be considered as an alternative to GAAP net income (loss) available (related) to common stockholders, or other measurements of results of operations computed in accordance with GAAP or for federal income tax purposes.

For additional information regarding these non-GAAP measures, including their definitions, please refer to the “Non-GAAP Financial Measures” section of RWT's third-quarter 2026 earnings release, included in its Current Report on Form 8-K filed with the SEC on November 3, 2026.

Non-GAAP Financial Measures (Continued)

Reconciliation of GAAP to non-GAAP EAD – Third Quarter 2026[1]

	Three Months Ended September 30, 2026							
$ in millions	Sequoia Mortgage Banking	Aspire Mortgage Banking	CoreVest Mortgage Banking	Redwood Investments	Total Core Segments*	Legacy Investments	Corporate/ Other [2]	Total
GAAP Net Income (Loss)	**$ 32.3**	**$ (5.4)**	**$ 0.1**	**$ (4.4)**	**$ 22.6**	**$ (45.0)**	**$ (24.9)**	**$ (47.3)**
EAD Adjustments:								
Investment fair value changes, net [3]	—	—	—	16.0	**16.0**	22.4	—	**38.4**
Realized (gains)/losses, net [4]	—	—	—	—	**—**	—	4.0	**4.0**
Acquisition related expenses [5]	—	—	2.0	—	**2.0**	—	—	**2.0**
Tax effect of adjustments [6]	—	—	(0.5)	2.0	**1.5**	—	—	**1.5**
Non-GAAP EAD*	**$ 32.3**	**$ (5.4)**	**$ 1.6**	**$ 13.5**	**$ 42.1**	**$ (22.6)**	**$ (20.9)**	**$ (1.4)**
Adjustment for allocation of Corporate segment [2]	(8.5)	(2.0)	(0.9)	(7.3)	**(18.7)**	(2.3)	20.9	**—**
Non-GAAP EAD* with Allocated Corporate Segment	**$ 23.8**	**$ (7.4)**	**$ 0.7**	**$ 6.2**	**$ 23.4**	**$ (24.9)**	**$ —**	**$ (1.4)**

GAAP Net Income (loss)	**$ (47.3)**
EAD*	**$ (1.4)**
Core Segments EAD*	**$ 23.4**
GAAP Net Income (loss) per Basic Common Share	**$ (0.39)**
EAD per Basic Common Share*	**$ (0.02)**
Core Segments EAD per Basic Common Share*	**$ 0.18**
Return on Equity ("ROE") (annualized) [7]	**(22.8) %**
EAD ROE (annualized)*	**(0.7) %**
Core Segments EAD ROE (annualized)*	**12.7 %**

Non-GAAP Financial Measures (Continued)

Reconciliation of GAAP to non-GAAP EAD – Second Quarter 2026[1]

	Three Months Ended June 30, 2026							
$ in millions	Sequoia Mortgage Banking	Aspire Mortgage Banking	CoreVest Mortgage Banking	Redwood Investments	Total Core Segments*	Legacy Investments	Corporate/ Other [2]	Total
GAAP Net Income (Loss)	**$ 31.6**	**$ 7.3**	**$ 1.2**	**$ 0.7**	**$ 40.8**	**$ (23.3)**	**$ (20.4)**	**$ (2.9)**
EAD Adjustments:								
Investment fair value changes, net [3]	—	—	—	10.2	**10.2**	12.3	—	**22.5**
Realized (gains)/losses, net [4]	—	—	—	—	**—**	—	—	**—**
Acquisition related expenses [5]	—	—	2.0	—	**2.0**	—	—	**2.0**
Tax effect of adjustments [6]	—	—	(0.4)	(0.9)	**(1.3)**	—	—	**(1.3)**
Non-GAAP EAD*	**$ 31.6**	**$ 7.3**	**$ 2.8**	**$ 10.0**	**$ 51.7**	**$ (11.0)**	**$ (20.4)**	**$ 20.3**
Adjustment for allocation of Corporate segment [2]	(7.5)	(1.9)	(1.0)	(7.3)	**(17.7)**	(2.7)	20.4	**—**
Non-GAAP EAD* with Allocated Corporate Segment	**$ 24.1**	**$ 5.4**	**$ 1.8**	**$ 2.7**	**$ 34.0**	**$ (13.7)**	**$ —**	**$ 20.3**

GAAP Net Income (loss)	**$ (2.9)**
EAD*	**$ 20.3**
Core Segments EAD*	**$ 34.0**
GAAP Net Income (loss) per Basic Common Share	**$ (0.03)**
EAD per Basic Common Share*	**$ 0.15**
Core Segments EAD per Basic Common Share*	**$ 0.25**
Return on Equity ("ROE") (annualized) [7]	**(1.3) %**
EAD ROE (annualized)*	**9.6 %**
Core Segments EAD ROE (annualized)*	**18.5 %**

Non-GAAP Financial Measures (Continued)

Footnotes:

* Represents a non-GAAP financial measure. Refer to prior "Non-GAAP Financial Measures" section for additional information.

1. Certain totals may not foot due to rounding.
2. Allocation of Corporate Segment is based on the average capital utilized by the segment during the period, which represents management's internal estimate of the average economic capital allocated to support the activities of each segment.
3. Investment fair value changes, net includes all amounts within that same line item in our consolidated statements of (loss) income that are attributable to each segment, which primarily represents both realized and unrealized gains and losses on our investments held in each segment and associated hedges. Realized and unrealized gains and losses on our HEI investments are reflected in a separate line item on our consolidated income statements titled "HEI (loss) income, net".
4. Realized (gains)/losses, net includes all amounts within that line item on our consolidated statements of (loss) income that are attributable to each segment.
5. Acquisition related expenses include transaction costs paid to third parties, as applicable, and the ongoing amortization of intangible assets related to the Riverbend and CoreVest acquisitions.
6. Tax effect of adjustments represents the hypothetical income taxes associated with EAD adjustments used to calculate each segment EAD.
7. ROE consists of consolidated GAAP net income annualized divided by average common equity for the period.

Endnotes



ENDNOTES

Slide 4 (Redwood Connects Housing Finance with the Broader Capital Markets)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Inside Mortgage Finance top 100 Banks by asset size as of October 2026.

Slide 7 (A Strategic Transition is the Next Logical Step in Value Creation for Shareholders)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. RWT will continue to maintain REIT status and operate in compliance with REIT tests/restrictions until filing with the IRS to terminate its REIT status (currently planned for March 2027).
2. BVPS is book value per share. Deferred tax asset estimate of $85 - $90 million based on financial results as of September 30, 2026, and 116.5 million outstanding shares.
3. Assumes the dividend is reset from $0.18 to $0.02 per share for illustrative purposes.
4. At an illustrative $30 million of quarterly taxable income, available NOLs could offset approximately $0.05 to $0.06 per share in quarterly taxes over a multi-year period, until the NOLs are fully utilized.
5. Illustrative pre-tax savings for every 100bps reduction in financing costs across ~$900 million of unsecured debt.

Slide 8 (Our Mortgage Banking Business Has Outgrown the Traditional REIT Structure)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Production by platform reflects Sequoia and Aspire loan locks plus CoreVest fundings; lock volume excludes pipeline fallout; platform figures may not sum due to rounding.

Slide 9 (Our C-Corporation Transition Creates a Clearer Path to Book Value Growth Beginning in 2027)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. BVPS is book value per share. Deferred tax asset estimate of $85 - $90 million based on financial results as of September 30, 2026, and 116.5 million outstanding shares.

Slide 10 (C-Corporation Transition Expected to Lower Our Cost of Capital Over Time)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Wall Street peer comparison as of October 26, 2026. Mortgage REIT "baby bonds" versus originator/servicer high-yield debt. Differences in credit quality, tenor and instrument structure limit direct comparability; not a forecast of Redwood's future cost of capital. mREITs include: CIM, ADAM, MFA, PMT, RWT, AOMR; Originators & Servicers include: RKT, PFSI, UWM, ONIT, LDI.

Slide 12 (Third Quarter 2026 Financial Performance)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Total economic return is based on the periodic change in GAAP book value per common share plus dividends declared per common share during the period, divided by beginning period GAAP book value per common share.

Slide 14 (Core Segments Remained Resilient Amid Increased Volatility)
Source: Company financial data as of September 30, 2026, unless otherwise noted. Market data represents 10-Year Treasury rate per Bloomberg as of September 30, 2026.
1. Bloomberg data as of September 30, 2026.

Slide 15 (Legacy Loan Dispositions Are Accelerating)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Info as of September 30, 2026 – pro forma for loans under contract or expected to be resolved by mid-November 2026. Figures include the loans underlying the bridge loan AFS security and include gross fair value less non-recourse debt.

Slide 16 (Legacy Earnings Reflect Disposition-Related Marks)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Reflects the GAAP EPS for Legacy Investments after Corporate segment allocation.
2. REO Sales reflect UPB as of REO date.

Slide 18 (Robust Securitization Activity with Over $20 billion in issuance YTD)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Ranking based on year-to-date non-agency securitization issuance volume as of September 30, 2026, among bank and non-bank issuers, across the Agency investor, Jumbo, Non-QM, single-family rental (SFR), and Resecuritization markets. Source: Wall Street, Non-Agency Issuance Outstanding, as of 9/30/2026.
2. Total issuance figures include securitizations of retained investments and securitizations out of Joint Ventures. Securitization activity for Sequoia includes $4.0 billion of securitizations YTD as of September 30, 2026, that were issued and redeemed within each respective quarter.

Slide 19 (Proactive Pipeline Management Aligns with Market Conditions)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Mortgage Banking loan activity includes loans held for sale.
2. Represents loans on balance sheet that and not allocated to scheduled sales or securitizations as of November 2, 2026

Slide 20 (Maintaining Expense Efficiency as Production Scales)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Includes loan locks at our Sequoia Mortgage Banking and Aspire Mortgage Banking Segments and loans funded at our CoreVest Mortgage Banking Segment. Lock volume represents loans identified for purchase from loan sellers. Lock volume does not account for potential fallout from pipeline that typically occurs through the lending process.
2. Total Expense excludes non-recurring, one-time items and rental property expense that is recouped with property revenue.

Slide 21 (Sequoia / Aspire Joint Ventures Drive Accretive Capital Efficiency)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Assumes an illustrative $30 billion of annual loans purchased with an approximate 7% loan reserve haircut and 22% haircut for securitizations.

ENDNOTES (Continued)

Slide 22 (Leverage Associated with Fast Turning Assets)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Recourse leverage ratio is recourse debt divided by tangible stockholder equity. At September 30, 2026, recourse debt excluded $25.1 billion of consolidated securitization debt (ABS issued and servicer advance financing), other liabilities and other debt that is non-recourse to Redwood, and tangible stockholders' equity excluded $28 million of goodwill and intangible assets.
2. Average days of loans on balance sheet measures from purchase to disposition.

Slide 23 (Improved Financing Terms Support Growth)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Data excludes a secured financing facility with stated maturity of March 2030.

Slide 24 (Sources of Capital to Drive Incremental Growth & Liability Management)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. JV Activity assumes an illustrative $30 billion of annual loans purchased with an approximate 7% loan reserve haircut. Financing Optimization includes estimated net proceeds from additional structured financing activities forecasted over the next few quarters. Further Legacy Dispositions based on management estimates.

Slide 28 (Sequoia Q3'26 Performance Summary)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Lock volume represents loans identified for purchase from loan sellers. Lock volume does not account for potential fallout from pipeline that typically occurs through the lending process.
2. Includes securitizations of previously retained investments from Sequoia securitizations as well as securitizations that were issued and called within the reporting period.

Slide 29 (Aspire Q3'26 Performance Summary)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Lock volume represents loans identified for purchase from loan sellers. Lock volume does not account for potential fallout from pipeline that typically occurs through the lending process.
2. Bloomberg data as of October 23, 2026.

Slide 30 (CoreVest Q3'26 Performance Summary)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Net Cost to Originate for the CoreVest Mortgage Banking segment is calculated as operating expenses minus fees earned in this segment divided by funding volume of this segment.

Slide 31 (Redwood Investments Q3'26 Performance Summary)
Source: Company financial data as of September 30, 2026, unless otherwise noted.
1. Portfolio cost of funds reflects interest expense relative to UPB.
2. Portfolio Capital Deployed reflects the net deployment into retained investments.

Slide 35 (Appendix: Capital Allocation Summary)
1. Amounts of assets in our Redwood Investments segment, as presented in this table, represent our economic interests (including our economic interests in consolidated VIEs) and do not present the assets within VIEs that we consolidate under GAAP (except for our CAFL Bridge). See our GAAP Balance Sheet and Reconciliation to Non-GAAP Economic Balance Sheet in the Supplemental Financial Tables available on our website for additional information on consolidated VIEs.
2. Consistent with our presentation of assets within this table, non-recourse debt presented within this table excludes ABS issued from certain securitizations consolidated on our balance sheet, including Residential Jumbo (SEMT), BPL Term (CAFL), and HEI, as well as non-recourse debt used to finance certain servicing investments.
3. Capital allocated to mortgage banking operations represents the working capital we have allocated to manage our loan inventory at each of our mortgage banking platforms. This amount generally includes our net capital in loans held on balance sheet (net of financing), capital to acquire / originate loans in our pipeline, net capital utilized for hedges, and risk capital.
4. Corporate capital includes, among other things, capital allocated to RWT Horizons and other strategic investments as well as available capital.

Slide 36 (Appendix: Mortgage Banking Key Results)
1. Capital utilized for CoreVest operations does not include $28 million of platform premium.

Slide 38 (Appendix: Recourse Debt Balances)
1. Non-marginable debt and marginable debt refer to whether such debt is subject to margin calls based solely on the lender's determination in its discretion of the market value of underlying collateral that is non-delinquent. Non-marginable debt may be subject to a margin call due to delinquency or another credit event related to the mortgage or security being financed, a decline in the value of the underlying asset securing the collateral, an extended dwell time (i.e., period of time financed using a particular financing facility) for certain types of loans, or a change in the interest rate of a specified reference security relative to a base interest rate amount, among other reasons.
2. Average borrowing cost represents the weighted average contractual balance of recourse debt outstanding at the end of each period presented and does not include deferred issuance costs or debt discounts.
3. Represents unsecuritized residential consumer loans.
4. Includes certificated mortgage servicing rights.
5. Debt balances are non-marginable unless otherwise noted. Balances are pro forma for our recently announced extension of our CPP Investments and Stone Point Credit secured financing facility.

Glossary of Terms

Term	Definition
Agency NOO	Agency non-owner occupied
ARM	Adjustable rate mortgage
bps	Basis points
CAFL®	CoreVest securitization program
CES	Closed-end second liens
DQ	Delinquency
DSCR	Debt Service Coverage Ratio
EAD	Earnings available for distribution*
EPS	Earnings per share
Expanded Credit	Alternative income documentation
FY	Full year
HEI	Home equity investment
JV	Joint venture
MB	Mortgage banking (refers to Sequoia Mortgage Banking, Aspire Mortgage Banking and CoreVest Mortgage Banking segments)
Non-QM	Non-qualified mortgage

Term	Definition
QM	Qualified mortgage
QoQ	Quarter over quarter (comparison of sequential quarters)
ROC	Return on capital
RTL	Residential transitional loans
SEMT®	Residential Consumer (Sequoia) securitization program
SPIRE	Aspire securitization program
SFR	Single-family rental
UPB	Unpaid principal balance
WA	Weighted average
YoY	Year over year (comparison of same quarter performance over consecutive years)

*Earnings Available for Distribution ("EAD") is a non-GAAP measure. See "Non-GAAP Measures" slides in the Endnotes for additional information and reconciliation to GAAP metrics.