

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

FORM 10-K/A

Amendment No.2 to

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

FOR THE FISCAL YEAR ENDED: DECEMBER 31, 2001

OR

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER: 1-13759

REDWOOD TRUST, INC.
(Exact name of Registrant as specified in its Charter)

MARYLAND
(State or other jurisdiction of
incorporation or organization)

68-0329422
(I.R.S. Employer
Identification No.)

591 REDWOOD HIGHWAY, SUITE 3100
MILL VALLEY, CALIFORNIA
(Address of principal executive offices)

94941
(Zip Code)

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

Securities registered pursuant
to Section 12(b) of the Act:

Name of Exchange on
Which Registered:

CLASS B 9.74% CUMULATIVE
CONVERTIBLE PREFERRED STOCK,
PAR VALUE \$0.01 PER SHARE
(Title of Class)

NEW YORK STOCK EXCHANGE

COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(Title of Class)

NEW YORK STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act:
NONE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

At March 21, 2002 the aggregate market value of the voting stock held by non-affiliates of the Registrant was \$393,359,292.

The number of shares of the Registrant's Common Stock outstanding on March 21, 2002 was 14,623,022. The number of shares of the Registrant's Preferred Stock outstanding on March 21, 2002 was 902,068.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement issued in connection with the 2002 Annual Meeting of Stockholders are incorporated by reference into Part III.

PART IV

The Company's Form 10-K Annual Report for the Fiscal Year Ended December 31, 2001 is hereby amended to add Schedule IV thereto.

(a) Documents filed as part of this report:

(2) Schedules to Consolidated Financial Statements:

Schedule IV and Report of Independent Accountants thereon

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Act of 1934, the Registrant has duly caused this amendment to its report on Form 10-K to be signed on its behalf by the undersigned thereunto duly authorized.

REDWOOD TRUST, INC.

Dated: April 24, 2002

By:/s/ Harold F. Zagunis

 Harold F. Zagunis
 Chief Financial Officer,
 Secretary, Treasurer
 and Controller
 (Principal Financial and
 Accounting Officer)

REPORT OF INDEPENDENT ACCOUNTANTS ON
 FINANCIAL STATEMENT SCHEDULES

To the Board of Directors and Stockholders of
 Redwood Trust, Inc.:

Our audits of the consolidated financial statements referred to in our report dated February 26, 2002 appearing in the Annual Report on Form 10-K for the fiscal year ended December 31, 2001 of Redwood Trust, Inc. also included an audit of the financial statement schedules listed in Item 14(a)(2) of this Form 10-K/A (Amendment No. 2). In our opinion, these financial statement schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP
 February 26, 2002

REDWOOD TRUST, INC.
 SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
 DECEMBER 31, 2001

<TABLE>
 <CAPTION>

| Maturity | Interest Rate | Interest |
|--|---|-----------------|
| Mortgage Loan Description/Type | Index | Rate |
| Date | | |
| <S> | <C> | <C> |
| <C> | | |
| 1st Lien Adjustable Rate Residential Mortgage Loans 2021 - 2029 | 1 Month LIBOR | 2.88% - 5.30% |
| 1st Lien Adjustable Rate Residential Mortgage Loans 2021 - 2027 | 6 Month LIBOR | 2.94% - 8.33% |
| 1st Lien Adjustable Rate Residential Mortgage Loans 2004 - 2018 | 1 Year CMT | 5.25% - 10.75% |
| Total Residential Mortgage Loans | | |
| 1st Lien Adjustable Rate Commercial Mortgage Loans 2002 - 2003 | 1 Month LIBOR, with interest rate floor of 9.125% - 10.75% | 9.125% - 10.75% |
| 1st Lien Adjustable Rate Commercial Mortgage Loans 2003 - 2004 | 3 and 6 Month LIBOR, with interest rate floor of 9.375% | 9.375% |
| 1st Lien Hybrid Commercial Mortgage Loans 2009 | Fixed through March 2004; 6 Month LIBOR through maturity | 10.875% |

Total Commercial Mortgage Loans

</TABLE>

<TABLE>
<CAPTION>

| Mortgage Loan Description/Type <S> | Net Carrying Value <C> | Delinquent Principal <C> | Face Amount of Mortgage <C> |
|---|---------------------------|-----------------------------|--------------------------------|
| 1st Lien Adjustable Rate Residential Mortgage Loans | 394,134,407.00 | 1,559,038.00 | 391,219,634.00 |
| 1st Lien Adjustable Rate Residential Mortgage Loans | 817,818,191.00 | 1,555,804.00 | 814,788,997.00 |
| 1st Lien Adjustable Rate Residential Mortgage Loans | 262,909,464.00 | 1,946,513.00 | 264,459,806.00 |
| --- | | | ----- |
| Total Residential Mortgage Loans 1,470,468,437.00 | 1,474,862,062.00 | 5,061,355.00 | |
| ===== | | | |
| 1st Lien Adjustable Rate Commercial Mortgage Loans 26,184,860.00 | 26,073,937.00 | -- | |
| 1st Lien Adjustable Rate Commercial Mortgage Loans 16,099,073.00 | 15,788,616.00 | -- | |
| 1st Lien Hybrid Commercial Mortgage Loans 9,506,357.00 | 9,221,167.00 | -- | |
| --- | | | ----- |
| Total Commercial Mortgage Loans 51,790,290.00 | 51,083,720.00 | -- | |

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REDWOOD TRUST, INC.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
DECEMBER 31, 2001
(ALL DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

| | Residential ----- <C> | Commercial ----- <C> | Total ----- <C> |
|---|-----------------------------|----------------------------|-----------------------|
| Mortgage Loans on Real Estate at January 1, 2001 | 1,130,997 | 76,082 | 1,207,079 |
| Acquisitions | 674,812 | 1,710 | 676,522 |
| Sales | -- | (7,731) | (7,731) |
| Principal Payments | (323,899) | (18,916) | (342,815) |
| Amortization | (6,720) | 224 | (6,496) |
| Credit Provision | (767) | -- | (767) |
| Net Charge Offs | 382 | -- | 382 |
| Lower of Cost or Market Adjustment (Income Statement) | 57 | (285) | (228) |
| Mortgage Loans on Real Estate at December 31, 2001 | 1,474,862 | 51,084 | 1,525,946 |

</TABLE>