

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): June 6, 2022

**REDWOOD TRUST, INC.**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction  
of incorporation)

**001-13759**  
(Commission  
File Number)

**68-0329422**  
(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))

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

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.

**Item 7.01 Regulation FD Disclosure**

On June 6, 2022, Redwood Trust, Inc. (the "Company") issued a press release relating to its proposed offering of Convertible Senior Notes due 2027 (the "Notes") to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). In connection with the offering of the Notes, the Company made the following business update to prospective investors:

**Recent Developments**

Through this offering and in the future, we may raise equity or debt capital for opportunistic investments and funding purposes. While the observations and expectations of broad market participants for persistently higher inflation and supply chain disruptions continue to negatively impact market sentiment, we believe the challenging market conditions in which we are operating offer opportunities for us to deploy capital into attractive investments within our existing operating businesses and investment portfolio despite the headwinds to our business. Within the residential mortgage market, the effects from the Federal Reserve's tightening of monetary policy and the expectation of continued tightening have led to industry-wide reductions in origination volumes and capacity. Moreover, interest rate volatility and rapid increases in benchmark rates continue to negatively impact the economics for issuers of both Agency MBS and non-Agency securitizations. Current and anticipated gain on sale margins for our mortgage banking businesses, particularly in respect of our pipeline of the consumer residential and single-family rental ("SFR") loans, remain impacted by the interest rate environment, and credit spread widening continues to impact both our mortgage banking businesses and our investment portfolio.

As noted above, in the current environment, we believe there are a number of attractive opportunities to deploy capital into accretive investments within our businesses and strategies, including bridge loans, organic single-family rental and residential securities, home equity investments and other bespoke credit opportunities. As it relates to these investment opportunities, we expect to target estimated yields of 12% to 18% on our invested capital. We estimate such target yields based on our market observations, forecasts and assumptions, including assumptions regarding credit losses, prepayment speeds, market interest rates, and discount rates, all of which are subject to significant uncertainty. For example, events or conditions that have not been anticipated may occur and may have a significant effect on the actual yield received, and if our assumptions fail to materialize, any future returns on our investments may be significantly lower than initially estimated.

Additionally, we continue to look for opportunities for strategic acquisitions and investments to continue to scale our business. For example, in April 2022 we announced a definitive agreement to acquire Riverbend Funding, LLC ("Riverbend"), a specialty lender headquartered in Oregon focused on single- and multi-family bridge lending. Riverbend, which we expect to operationally integrate within CoreVest, brings a complementary product and geographic scope that we believe will positively contribute to our overall BPL platform. We believe Riverbend's borrower network should also provide an opportunity to further market and distribute CoreVest's existing loan products. We are currently preparing for the Riverbend integration and we expect to consummate the acquisition early in the third quarter of 2022, pending satisfaction of customary closing conditions.

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

**Item 8.01. Other Events.**

On June 6, 2022, Redwood Trust, Inc. (the "Company") issued a press release relating to its proposed offering of the Notes. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 8.01.

Neither this Current Report on Form 8-K nor the press release constitutes an offer to sell, or the solicitation of an offer to buy, the Notes or the shares of the Company's common stock, if any, issuable upon conversion of the Notes.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

[Exhibit 99.1](#) [Press Release dated June 6, 2022](#)  
Exhibit 104 Cover Page Interactive Data File (embedded within the inline XBRL document)

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**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: June 6, 2022

**REDWOOD TRUST, INC.**

By: /s/ Brooke E. Carillo  
Name: Brooke E. Carillo  
Title: Chief Financial Officer

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**FOR IMMEDIATE RELEASE**

Redwood Trust, Inc.  
Monday, June 6, 2022

**Redwood Trust Announces Offering of Convertible Senior Notes due 2027**

**MILL VALLEY, Calif.**—(BUSINESS WIRE)—Redwood Trust, Inc. (NYSE: RWT; “Redwood” or the “Company”), a leader in expanding access to housing for homebuyers and renters, today announced that it plans to offer, subject to market and other conditions, \$150,000,000 aggregate principal amount of convertible senior notes due 2027 (the “Notes”) in a private offering to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). Redwood expects to grant the initial purchasers of the Notes an option to purchase, for settlement within a period of 13 days from, and including, the date the Notes are first issued, up to an additional \$22,500,000 principal amount of Notes. The Notes will be senior unsecured obligations of Redwood. The interest rate and offering price are to be determined by negotiations between Redwood and the initial purchasers of the Notes.

Redwood intends to use the net proceeds from the offering for investment and funding purposes, which may include investing in organically sourced assets through Redwood’s mortgage banking businesses, opportunistically investing in third-party securities and other long-term and strategic assets for its investment portfolio, funding strategic acquisitions and investments, and funding the activities of Redwood’s residential and business purpose mortgage banking businesses, as well as for general corporate purposes and potential open market purchases of common stock or debt. Redwood may also use a portion of the net proceeds from the offering to repurchase shares of its common stock concurrently with the pricing of the offering in privately negotiated transactions effected through one of the initial purchasers of the Notes or its affiliate, as Redwood’s agent.

The offer and sale of the Notes and any shares of common stock issuable upon conversion of the Notes have not been, and will not be, registered under the Securities Act or any other securities laws, and the Notes and any such shares cannot be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. This press release does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes or any shares of common stock issuable upon conversion of the Notes, nor will there be any sale of the Notes or any such shares, in any state or other jurisdiction in which such offer, sale or solicitation would be unlawful.

**About Redwood Trust**

Redwood Trust, Inc. (NYSE: RWT) is a specialty finance company focused on several distinct areas of housing credit. Our operating platforms occupy a unique position in the housing finance value chain, providing 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; and our publicly traded shares. Our aggregation, origination and investment activities have evolved to incorporate a diverse mix of residential, business purpose and multifamily assets. Our goal is to provide attractive returns to shareholders through a stable and growing stream of earnings and dividends, capital appreciation, and a commitment to technological innovation that facilitates risk-minded scale. We operate our business in three segments: Residential Mortgage Banking, Business Purpose Mortgage Banking and Investment Portfolio. Additionally, through RWT Horizons™, our venture investing initiative, we invest in early-stage companies strategically aligned with our business across the lending, real estate, and financial technology sectors to drive innovations across our residential and business-purpose lending platforms. Since going public in 1994, we have managed our business through several cycles, built a track record of innovation, and established a best-in-class reputation for service and a common-sense approach to credit investing. Redwood Trust is internally managed and structured as a real estate investment trust for tax purposes.

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*CAUTIONARY STATEMENT: This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, such as statements related to the offering and the expected use of the net proceeds. Forward-looking statements involve numerous risks and uncertainties. Redwood’s actual results may differ materially from those projected, and Redwood cautions investors not to place undue reliance on the forward-looking statements contained in this release. 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, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in Redwood’s filings with the Securities and Exchange Commission. Redwood undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.*

**Investor Relations**

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