FORM	4
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Check this box if no
longer subject to
Section 16. Form 4 or
Form 5 obligations
may continue. See
Instruction 1(b).

(Print or Type Pesponses)

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

OMB APPROVAL OMB Number: 3235-0287 Estimated average burden hours per response... 0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Pe HANSEN DOUGLAS B	2. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT]						5. Relationship of Reporting Person(s) to Issuer (Check all applicable) X_Director 10% Owner			
1 BELVEDERE PLACE, SUIT	(Middle) TE 300	3. Date of Earliest Transaction (Month/Day/Year) 10/01/2004					X Officer (give title below) Other (specify below) President			
(Street) MILL VALLEY, CA 94941		4. If Amendment, Date Original Filed(Month/Day/Year))	6. Individual or Joint/Group Filing(Check Applicable Line) _X_Form filed by One Reporting Person Form filed by More than One Reporting Person				
(City) (State)	(Zip)	Table I - Non-Derivative Securities Acqu				es Acqui	ired, Disposed of, or Beneficially Owned			
1.Title of Security (Instr. 3)		Execution Date, if	Code (Instr. 8)		(A) or Disposed of (D)		of (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)		Beneficial Ownership
Common Stock	10/01/2004		F		356	D	\$ 63.15	135,569	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information

SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

ole II	- Der	ivative	e Secu	rities Acq	uirea, D	isposea	01, Or	Beneficiali	y Owne
	(00	nute	colle	warrante	ontions	convo	rtibla (socurities)	

(e.g., puts, calls, warrants, options, convertible securities)											
. Deemed 4.	ŀ.	5.		6. Date Exer	cisable	7. Titl	le and	8. Price of	9. Number of	10.	11. Nature
ecution Date, if T	Transaction	Num	ber	and Expiration	on Date	Amou	int of	Derivative	Derivative	Ownership	of Indirect
C C	Code	of		(Month/Day	/Year)	Under	rlying	Security	Securities	Form of	Beneficial
onth/Day/Year) (I	Instr. 8)	Deriv	vative			Secur	ities	(Instr. 5)	Beneficially	Derivative	Ownership
		Secu	rities			(Instr.	3 and		Owned	Security:	(Instr. 4)
		Acqu	ired			4)			Following	Direct (D)	
		(A) o	r						Reported	or Indirect	
		Dispo	osed						Transaction(s)	(I)	
		· · ·	/						(Instr. 4)	(Instr. 4)	
		· ·	· · · ·								
		4, an	d 5)								
							Amount				
							-				
				Exercisable	Date						
(Code V	(A)	(D)				Shares				
ec /	Deemed 4 ution Date, if 1 (nth/Day/Year) (Deemed 4. ution Date, if Transaction Code (Instr. 8)	Deemed 4. 5. ution Date, if Transaction Numi Code of nth/Day/Year) (Instr. 8) Deriv Secun Acqu (A) o Disperting of (D (Instr. 4, and	Deemed ution Date, if nth/Day/Year) (Instr. 8) (Instr. 8) (Instr. 8) (Instr. 8) (Instr. 3, 4, and 5)	Deemed 4. 5. 6. Date Exer and Expiration (Month/Day/Year) (Instr. 8) 5. 6. Date Exer and Expiration (Month/Day, Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) 2. 6. Date Exer and Expiration (Month/Day, Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) 2. 6. Date Exer and Expiration (Month/Day, Date Exercisable	Deemed 4. 5. 6. Date Exercisable and Expiration Date, if transaction Code (Instr. 8) Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) Date Expiration Date Expiration Date (Month/Day/Year)	Deemed 4. 5. 6. Date Exercisable 7. Titl and Expiration Date (Month/Day/Year) 4. 5. 6. Date Exercisable and Expiration Date (Month/Day/Year) 4. Title and Expiration (Month/Day/Year) 4. Title and Expiration (Month/Day/Year) 4. Title (Month/Day/Ye	Deemed 4. 5. 6. Date Exercisable and Expiration Date if Transaction Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) Date Exercisable and Expiration Date (Month/Day/Year) 7. Title and Amount of Underlying Securities (Instr. 3 and 4) Amount of Underlying Securities (Instr.	Decemed 4. 5. 6. Date Exercisable and Expiration Date (Instr. 8) 5. (Month/Day/Year) 4. 5. 6. Date Exercisable and Expiration Date (Month/Day/Year) 7. Title and Amount of Underlying Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) 4. 7. Title and Amount of Underlying Securities (Instr. 3 and 4) 4. 7. Title and Amount of Underlying Securities (Instr. 5) (Instr. 5) (Instr. 5) (Instr. 6. 7. Title and Amount of Underlying Securities (Instr. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7.	Deemed 4. 5. Construction Date, if transaction Number of Code (Instr. 8) Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) Date Exercisable and Expiration Date (Month/Day/Year) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) Date Exercisable Exercisable and Expiration Date (Month/Day/Year) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) Date Exercisable Date Exercisable Date Expiration Date (Instr. 4) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) Date Exercisable Date Expiration Date (Instr. 5) Date Exercisable Date Expiration Date (Instr. 5) Date Exercisable (Instr. 5) Date Date Expiration Date (Instr. 5) Date (Instr. 5	Deemed 4. 5. 6. Date Exercisable and Expiration Date of Derivative Securities 7. Title and Amount of Underlying Securities 8. Price of Derivative Securities 9. Number of Derivative Securities 10. 10. 000000000000000000000000000000000000

Reporting Owners

		Relation	ships			
Reporting Owner Name / Address	Director	10% Owner	Officer	Other		
HANSEN DOUGLAS B 1 BELVEDERE PLACE SUITE 300 MILL VALLEY, CA 94941	Х		President			

Signatures

Douglas B. Hansen	10/04/2004
**Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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