FORM 4

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

OMB APPROVAL
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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).

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

Print or Ty	pe Responses	s)															
1. Name and Address of Reporting Person* Byerwalter Mariann H				2. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT]							mbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) _X_ Director					
(Last) (First) (Middle) 335 WEST SANTA INEZ					3. Date of Earliest Transaction (Month/Day/Year) 05/18/2005							Office	er (give title belo	ow)	Other (specify b	elow)	
(Street) HILLSBOROUGH, CA 94010				4. If Amendment, Date Original Filed(Month/Day/Year)							/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting PersonForm filed by More than One Reporting Person					
(City) (State) (Zip)					Table I - Non-Derivative Securities Acqui						uired, Disposed of, or Beneficially Owned						
(Instr. 3)		2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)		e, if	(Instr. 8)		4. Securities Acqu (A) or Disposed of (Instr. 3, 4 and 5)		of (D)	Beneficia Reported	t of Securities lly Owned Following Transaction(s)		Ownership Form:	Beneficial		
					ear)	Co	de	V	Amount	(A) or t (D)	Price		or I		or Indirect	Ownership (Instr. 4)	
Common	Stock		05/18/2005				P	•		500	A	\$ 52.92	500			D	
								t quire	he f d, Di	orm dis	plays a of, or Be	n curre	ently valid	OMB conf	spond unle trol numbe		
Security (Instr. 3)		3. Transactic Date (Month/Day/	on 3A. Deemed Execution Da	ate, if Tra	ansacti	5 ion N o D S A (1/2 D o (1/2)	Numb	er ative ties red sed 3, 5)	6. Date	ate Exerc Expirationth/Day/	cisable on Date	7. T Am Un Sec (Ins 4)	Amount or Number of		9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 4)	Ownersh Form of Derivati Security Direct (I or Indire	Beneficia Ownershi (Instr. 4)

Reporting Owners

	Relationships						
Reporting Owner Name / Address	Director	10% Owner	Officer	Other			
Byerwalter Mariann H 335 WEST SANTA INEZ	X						
HILLSBOROUGH, CA 94010							

Signatures

By: Harold F Zagunis For: Mariann Byerwalter	05/18/2005
**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.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.