

INITIAL STATEMENT OF 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 Type Responses)

1. Name and Address of Reporting Person* PICARD LOREN R (Last) (First) (Middle) 416 SHERWOOD DR. #207 (Street) SAUSALITO, CA 94965 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 09/02/2003	3. Issuer Name and Ticker or Trading Symbol REDWOOD TRUST INC [RWT]		
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Vice President		5. If Amendment, Date Original Filed (Month/Day/Year)
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	383	D	

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

SEC 1473 (7-02)

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

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Incentive Stock Option (right to buy)	(1)	12/17/2011	Common Stock	500	\$ 24.5	D	
Incentive Stock Option (right to buy)	(2)	12/19/2012	Common Stock	7,500	\$ 27.05	D	
Non-Qualified Stock Option (right to buy)	08/20/2002	12/02/2009	Common Stock	2,000	\$ 11.4375	D	
Non-Qualified Stock Option (right to buy)	08/18/2003	10/01/2008	Common Stock	1,500	\$ 14.5	D	
Non-Qualified Stock Option (right to buy)	(3)	02/01/2009	Common Stock	1,000	\$ 14.875	D	
Non-Qualified Stock Option (right to buy)	08/18/2003	12/14/2010	Common Stock	1,875	\$ 17.625	D	
Stock Units in Deferred Compensation Plan	02/27/2003	05/01/2006	Common Stock	938.44	\$ 0	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PICARD LOREN R 416 SHERWOOD DR. #207 SAUSALITO, CA 94965			Vice President	

Signatures

Loren R. Picard	09/04/2003
-----------------	------------

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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).
- (1) Twenty-five percent of the options vest on January 1, 2003. The remaining seventy-five percent of the options vest in twelve quarterly installments from April 1, 2003 through January 1, 2006.
- (2) Twenty-five percent of the options vest on January 1, 2004. The remaining seventy-five percent of the options vest in twelve quarterly installments from April 1, 2004 through January 1, 2007.
- (3) The option becomes exercisable in four equal installments on the 4th day of May in 2000, 2001, 2002, and 2003.

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.