

Mail Stop 4561

June 5, 2007

VIA U.S. MAIL AND FAX (415) 381-1773

Mr. George E. Bull, III  
Chief Executive Officer  
Redwood Trust, Inc.  
One Belvedere Place, Suite 300  
Mill Valley, CA 94941

**Re: Redwood Trust, Inc.**  
**Form 10-K for the year ended December 31, 2006**  
**Filed February 20, 2007**  
**File No. 001-13759**

Dear Mr. Bull:

We have completed our review of your Form 10-K and do not, at this time, have any further comments.

Sincerely,

Daniel L. Gordon  
*Branch Chief*