

September 29, 2008

Mail Stop 4561

Martin S. Hughes  
Chief Financial Officer  
Redwood Trust, Inc.  
One Belvedere Place, Suite 300  
Mill Valley, CA 94941

**Re: Redwood Trust, Inc.  
Form 10-K and Schedule 14A  
Filed March 5, 2008 and April 22, 2008  
File No. 1-13759**

Dear Mr. Hughes:

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

Sincerely,

Kristi Marrone  
Staff Accountant