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REDWOOD
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Redwood Trust Announces Launch of Home Equity Investment Platform

Newly Launched Aspire Seeks to Leverage Redwood's Extensive Mortgage Banking Network, Offering Consumers Transformational Access to Home Equity

MILL VALLEY, Calif.--(BUSINESS WIRE)-- [Redwood Trust, Inc.](#) (NYSE: RWT) ("Redwood" or the "Company"), a leader in expanding access to housing for homebuyers and renters, today formally announced the launch of Aspire, its in-house home equity investment ("HEI") origination platform. HEI provides consumers access to their home equity with no additional monthly payment obligations.

Aspire significantly expands Redwood's reach in the residential housing market, providing access to one of the largest addressable markets in the United States — residential home equity. Through Aspire, Redwood plans to directly originate HEI by leveraging the Company's nationwide correspondent network of loan officers, and by establishing direct to consumer origination channels.

Since 2019, Redwood has been a leading participant in the HEI market, purchasing approximately \$350 million in HEI to date, co-sponsoring the first-ever securitization backed entirely by HEI in 2021, and procuring a \$150 million dedicated HEI financing facility in 2022. As an institutional leader in the space, Redwood has been a meaningful driver of the structural evolution of HEI in ways that prioritize strong alignment between homeowners and investors.

Redwood's Aspire HEI platform is the next step in this track record of product development and innovation. Aspire is focused on consumers actively assessing traditional financing options – such as closed-end second lien mortgages or home equity lines of credit – who prefer the no monthly payment feature of HEI. HEI can provide these homeowners with cash today and the flexibility to refinance into traditional debt products in the future.

"Redwood has a history of bringing innovative solutions to the non-Agency housing market and we are thrilled to begin directly offering HEI, an effort that ties closely with our longstanding mission of supporting housing accessibility," said Christopher Abate, Chief Executive Officer of Redwood. "We have been fortunate to work alongside a handful of HEI originators over the last few years, helping to bring liquidity and product development expertise to this emerging asset class. As we continue to invest in HEI through our third-party partners, Aspire will represent the natural evolution of our strategy, allowing us to address the needs of consumers we have long served through our Residential correspondent network."

"Our flagship HEI product is designed for homeowners weighing the important decision of

how best to access the equity in their homes,” continued Abate. “When juxtaposing near-record high costs for traditional mortgage financing with record amounts of untapped equity in housing, our HEI product provides an attractive solution for many consumers who often qualify for additional home debt but prefer the flexibility of an equity investment. As we have demonstrated through Redwood’s past innovations, our products have the ability to align the interests of homeowners and investors on a scale not previously seen in the United States.”

About Aspire

Aspire is founded on the principle that HEI can emerge as a durable, transformative asset-class directly in keeping with Redwood’s mission. We provide equity capital to consumers without the burdens of debt products, while offering institutional investors direct access to one of the largest asset classes in the world. Our long-term goal is to not only provide seamless access to home equity for homeowners, but also to connect HEI investors with aspiring homebuyers to provide access to housing for millions more American households. For more information on Aspire, please visit the Aspire website at www.aspirehei.com (California DRE Licensed Real Estate Broker (RWT Home Options, Inc., License #02215315)).

About Redwood

Redwood Trust, Inc. (NYSE: RWT) is a specialty finance company focused on several distinct areas of housing credit. Our operating platforms occupy a unique position in the housing finance value chain, providing liquidity to growing segments of the U.S. housing market not well served by government programs. We deliver customized housing credit investments to a diverse mix of investors, through our best-in-class securitization platforms; whole-loan distribution activities; and our publicly traded shares. Our goal is to serve our mission of making quality housing, whether rented or owned, accessible to all American households. In doing so, we strive to provide attractive returns to shareholders through a stable and growing stream of earnings and dividends, capital appreciation, and a commitment to technological innovation. For more information about Redwood, please visit our website at www.redwoodtrust.com or connect with us on LinkedIn.

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