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## **Allonhill Congratulates Redwood Trust on RMBS Issue**

*Deal provides model for future securitizations, signals responsible return for RMBS markets*

DENVER (May 6, 2010) – [Allonhill](#), an independent third-party review firm specializing in mortgage due diligence and credit risk management, today congratulated Redwood Trust, Inc., on helping jumpstart the market for residential mortgage-backed securities (RMBS) with the issue of a \$238 million jumbo loan deal, completed earlier this week.

“This is a significant milestone for our industry and the beginning of a market thaw,” said Allonhill founder and CEO Sue Allon. “Redwood’s approach signals a new era in RMBS issuance, reflecting the lessons learned over the past year and a half.”

The deal is the first private securitization of newly originated home loans since 2008. Allon pointed to several features that were key to the due diligence process:

- Independent third-party review of underlying collateral – results of the due diligence review by Allonhill for the Sequoia deal were delivered directly to the rating agency.
- Tightened review process – the due diligence review followed new rules from Moody’s Investor Service to evaluate home prices in a standardized manner and to deal with conflicting appraisals systematically
- Signed attestation letters for due diligence firm and third-party vendors – all parties involved with loan-level reviews provided signed documentation that results accurately reflect what was found in review, all signs of potential fraud were thoroughly examined and appropriately handled, and there was no outside influence or coercion.
- 100 percent review of loans – all loans in the security were reviewed by Allonhill on behalf of the sponsor.

“We at Allonhill will continue to work with industry partners across the board to bring about a responsible return to the RMBS markets,” Allon said. “This is a promising start.”

### **About Allonhill**

Allonhill, based in Denver, is third-party review firm specializing in mortgage due diligence and credit risk management to help mortgage market participants understand, manage and reduce risk. Founded in 2008 and led by an executive team of seasoned industry experts, Allonhill offers a variety of services including loan-level analysis and surveillance of whole loans, mortgage-backed securities and collateralized debt obligations (CDOs), servicer evaluation, modification program outsourcing and consulting. Clients include institutional investors, private hedge funds, broker/dealers, government agencies, servicers and other mortgage service providers. For more information, visit [www.allonhill.com](http://www.allonhill.com).