

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 24, 2005

NVR, Inc.

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction of
incorporation or organization)

1-12378

(Commission File Number)

54-1394360

(I.R.S. Employer
Identification No.)

7601 Lewinsville Road, Suite 300, McLean, Virginia
(Address of principal executive offices)

22102
(Zip Code)

Registrant's telephone number, including area code: 703-761-2000

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.133-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On February 24, 2005, the Compensation Committee of NVR, Inc.'s Board of Directors approved the 2005 Annual Incentive Compensation Program in which NVR, Inc. Executive Officers participate. A description of this program is attached hereto as Exhibit 10.1.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

<u>Number</u>	<u>Description</u>
10.1	Description of the 2005 Annual Incentive Compensation Program.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NVR, Inc.

Date: March 1, 2005

By: /s/ Paul C. Saville

Name: Paul C. Saville
Title: Executive Vice President and
Chief Financial Officer

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.1	Description of the 2005 Annual Incentive Compensation Program.

NVR, Inc.
Summary of the 2005 Annual Incentive Compensation Program

The following is a description of NVR, Inc.'s ("NVR") 2005 annual incentive compensation program (the "Bonus Program"). The Bonus Program is not set forth in a formal written document, and therefore NVR is providing this description of the program.

Virtually all of NVR's management employees participate in the Bonus Program, including all of NVR's executive officers. Under the Bonus Program, each executive officer has a maximum potential payout limited to 100% of his base salary. The annual incentive award is based on actual financial results compared to the business plan approved by NVR's Board of Directors. At the beginning of each year, financial targets that are tied to NVR's annual business plan are established by NVR's Compensation Committee. The financial target for corporate executives is based on NVR, Inc.'s consolidated pre-tax profit (before consolidated annual incentive expense but after all other charges). The financial targets used for the mortgage banking operation are pre-tax profit (before annual incentive expense and certain corporate cost allocations) and return on invested capital. The financial targets used for the homebuilding operation are pre-tax profit (before annual incentive expense, but after a charge for the cost of capital) and return on assets.

An executive officer begins to earn the incentive award once the financial targets are at least 70% attained. The full amount of the incentive award is earned ratably from 70% up to 100% of the financial target attainment. The executive officers can earn no more than 100% of their base salary as an incentive award, which is earned once 100% of the financial targets are attained. Thus, attainment of greater than 100% of the financial target has no impact on the amount of the incentive award earned.