UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____ to ____

Commission file number 1-12378

NVR, Inc.
(Exact name of registrant as specified in its charter)

Virginia	54-1394360
(State or other jurisdiction of incorporation or organization)	(IRS employer identification number)

7601 Lewinsville Road, Suite 300
McLean, Virginia 22102
(703) 761-2000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

(Not Applicable)
(Former name, former address, and former fiscal year if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

As of May 6, 1998 there were 11,323,796 total shares of common stock outstanding.

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15 (d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes X No

NVR, INC.
FORM 10-Q
INDEX

Page

PART I FINANCIAL INFORMATION

Item 1. NVR, Inc. Consolidated Financial Statements

NVR Homes, Inc. Consolidated Financial Statements

NVR Financial Services, Inc. Consolidated Financial Statements

RVN, Inc. Financial Statements

PART I

Item 1.

NVR, INC.
Consolidated Balance Sheets
(dollars in thousands, except share data)

	MARCH 31, 1998 (unaudited)	DECEMBER 31, 1997
ASSETS		
HOMEBUILDING:		
Cash and cash equivalents	$ 31,802	$ 41,684
Receivables	4,674	3,398
Inventory:		
Lots and housing units, covered under sales agreements with customers	193,562	165,132
Unsold lots and housing units	47,522	51,434
Manufacturing materials and other	4,799	7,475
	245,883	224,041
Property, plant and equipment, net	16,820	17,241
Reorganization value in excess of amounts allocable to identifiable assets, net	67,753	69,366
Goodwill, net	10,479	10,753
Contract land deposits	37,677	36,992
Other assets	23,585	22,424
	438,673	425,899
MORTGAGE BANKING:		
Cash and cash equivalents	7,476	4,041
Mortgage loans held for sale, net	167,517	115,744
Mortgage servicing rights, net	2,971	2,220
Property and equipment, net	724	637
Reorganization value in excess of amounts allocable to identifiable assets, net	11,428	11,700
Other assets	5,204	4,380
	195,320	138,722
TOTAL ASSETS	$633,993	$564,621

See notes to consolidated financial statements.

NVR, Inc.
Consolidated Balance Sheets
(dollars in thousands, except share data)

	MARCH 31, 1998 (unaudited)	DECEMBER 31, 1997
LIABILITIES AND SHAREHOLDERS' EQUITY		
HOMEBUILDING:		
Accounts payable	$ 63,100	$ 67,987
Accrued expenses and other liabilities	104,967	94,931
Notes payable	5,706	5,728
Other term debt	14,022	14,017
Senior notes	120,000	120,000
	307,795	302,663
MORTGAGE BANKING:		
Accounts payable and other liabilities	11,790	8,925
Notes payable	158,079	108,393
	169,869	117,318
Total liabilities	477,664	419,981
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Common stock, $0.01 par value; 60,000,000 shares authorized; 20,053,489 and 19,995,494 shares issued as of March 31, 1998 and December 31, 1997, respectively	201	200
Paid-in-capital	160,433	164,731
Retained earnings	86,837	75,977
Less treasury stock at cost- 8,535,827 and 8,900,972 shares at March 31, 1998 and December 31, 1997, respectively	(91,142)	(96,268)
Total shareholders' equity	156,329	144,640
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$633,993	$564,621

See notes to consolidated financial statements.

NVR, INC.
Consolidated Statements of Income
(dollars in thousands, except per share data)
(unaudited)

	THREE MONTHS ENDED MARCH 31, 1998	THREE MONTHS ENDED MARCH 31,1997
Homebuilding:		
Revenues	$ 291,547	$ 238,987
Other income	155	509
Cost of sales	(247,956)	(207,469)
Selling, general and administrative	(19,965)	(16,094)
Amortization of reorganization value in excess of amounts allocable to identifiable assets/goodwill	(1,886)	(1,613)
Operating income	21,895	14,320
Interest expense	(4,153)	(4,057)
Homebuilding income	17,742	10,263
MORTGAGE BANKING:		
Mortgage banking fees	7,687	5,122
Interest income	1,855	1,083
Other income	222	53
General and administrative	(5,583)	(5,029)
Amortization of reorganization value in excess of amounts allocable to identifiable assets	(272)	(272)
Interest expense	(1,491)	(390)
Operating income	2,418	567
TOTAL SEGMENT INCOME	20,160	10,830
Income tax expense	(9,300)	(5,067)
Net income	$ 10,860	$ 5,763
BASIC EARNINGS PER SHARE	$ 0.95	$ 0.45
DILUTED EARNINGS PER SHARE	$ 0.81	$ 0.42

See notes to consolidated financial statements.

NVR, INC.
Consolidated Statements of Cash Flows
(dollars in thousands)
(unaudited)

	THREE MONTHS ENDED MARCH 31, 1998	THREE MONTHS ENDED MARCH 31,1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 10,860	$ 5,763
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	3,450	3,286
Mortgage loans closed	(578,334)	(297,698)
Proceeds from sales of mortgage loans	526,271	282,630
Gain on sale of loans	(5,701)	(3,092)
Net change in assets and liabilities:		
Decrease/(increase) in inventories	(21,842)	966
Increase in receivables	(1,249)	(2,663)
Increase/(decrease) in accounts payable and accrued expenses	9,451	(4,634)
Other, net	(1,719)	--
Net cash used by operating activities	(58,813)	(15,442)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of mortgage-backed securities	474	6,910
Purchase of property, plant and equipment	(932)	(684)
Principal payments on mortgage-backed securities	1,152	1,013
Proceeds from sales of mortgage servicing rights	2,984	2,102
Other, net	(466)	(712)
Net cash provided by investing activities	3,212	8,629
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in other term debt	(49)	(57)
Redemption of bonds	(476)	(7,042)
Net borrowings (repayments) under notes payable	49,664	19,492
Purchase of treasury stock	--	(23,475)
Other, net	15	374
Net cash provided/(used) by financing activities	49,154	(10,708)
Net decrease in cash	(6,447)	(17,521)
Cash, beginning of the period	45,725	74,780
Cash, end of period	$ 39,278	$ 57,259
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid during the period	$ 2,122	$ 1,387
Income taxes paid, net of refunds	$ 1,752	$ 161

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION

The accompanying unaudited, consolidated financial statements include the accounts of NVR, Inc. ("NVR" or the "Company") and its subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation. The statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998.

2. ADOPTION OF NEW ACCOUNTING PRINCIPLES

During the quarter ended March 31, 1998, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, Reporting Comprehensive Income. SFAS No. 130 establishes standards for reporting and display of comprehensive income and its components in a full set of general purpose financial statements. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. For the quarters ended March 31, 1998 and 1997, comprehensive income equaled net income; therefore, a separate statement of comprehensive income is not included in the accompanying financial statements.

The Company will also implement SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information in 1998. SFAS No. 131 establishes standards for the way that public enterprises report information about operating segments in annual and interim financial statements. Because SFAS No. 131 has a disclosure-only effect on the notes to the Company's financial statements, adoption of SFAS No. 131 has no impact on the Company's results of operations or financial condition. In the year of adoption, the disclosure requirements of SFAS No. 131 need not be applied to interim financial statements. The Company will implement SFAS No. 131 in its full year 1998 financial statements.

(dollars in thousands, except per share and share data)

3. SHAREHOLDERS' EQUITY

A summary of changes in shareholders' equity is presented below:

	COMMON STOCK	PAID-IN CAPITAL	RETAINED EARNINGS	TREASURY STOCK
Balance, December 31, 1997	$200	$164,731	$75,977	$(96,268)
Net income	-	-	10,860	-
Option activity	1	14	-	-
Tax benefit from stock based compensation activity	-	814	-	-
Performance share activity	-	(5,126)	-	5,126
Balance, March 31, 1998	$201	$160,433	$86,837	$ 91,142

Approximately 365,000 shares were reissued from the treasury during January 1998 in satisfaction of benefits earned and expensed in 1997 under an equity-based employee benefit plan. The average cost basis for the shares reissued from the treasury was $14.04 per share. In addition, 87,081 options were exercised during the first quarter of 1998, with NVR realizing approximately $15 in aggregate equity proceeds.

4. DEBT

On January 20, 1998, the Company filed a shelf registration statement with the Securities and Exchange Commission for the issuance of up to $400 million of the Company's debt securities. The shelf registration statement was declared effective on February 27, 1998 and provides that securities may be offered from time to time in one or more series, and in the form of senior or subordinated debt.

On April 14, 1998, the Company completed an offering under the shelf registration statement for $145 million of senior notes due 2005 (the "New Notes"), resulting in aggregate net proceeds to the Company of approximately $142.8 million after fees and expenses. The New Notes mature on June 1, 2005 and bear interest at 8%, payable semi-annually on June 1 and December 1 of each year, commencing June 1, 1998. The New Notes are senior unsecured obligations of the Company, ranking equally in right of payment with the Company's other existing and future unsecured indebtedness. The New Notes are guaranteed on a senior unsecured basis by NVR Homes, Inc. An additional $30 million in principal is available for issuance under the New Note offering.

The Company intends to apply the net proceeds received from the offering of the New Notes to refinance other debt. On April 21, 1998, the Company commenced a tender offer to repurchase the $120 million in aggregate principal outstanding under the Company's 11% Senior Notes due 2003 ("Senior Notes") (the "Tender Offer"). The Tender Offer expires at 12:00 midnight, New York City time, on May 18, 1998, unless otherwise extended by the Company. The total amount of funds required by the Company to pay the consideration in connection with the Tender Offer, including all related costs and expenses, is estimated to be approximately $130 million, plus accrued interest to the settlement date. Assuming 100% of the outstanding principal amount of the Senior Notes is tendered and accepted for payment prior to the expiration date of the Tender Offer, the Company expects to record an extraordinary loss upon the extinguishment of debt of approximately $8.0 million (net of related income tax benefits of approximately $5.0 million) in the second quarter of 1998. The Company has agreed in the supplemental indenture filed in connection with the offer of the New Notes to call any Senior Notes not tendered on December 1, 1998 at a redemption price of 105.5% of the principal amount thereof.

In addition, the Company has irrevocably exercised its option to purchase, effective May 1999, certain office buildings currently utilized by NVR's mortgage banking operations, which will thereby extinguish the Company's obligations under the capital lease pertaining to these buildings. The effective interest rate on the capital lease debt is 13.8%. Pending the purchase, the Company has irrevocably deposited approximately $12 million of proceeds from the New Notes into escrow administered by a trustee, which represents the approximate amount necessary to exercise the purchase option. The Company expects to recognize an extraordinary loss on extinguishment of debt related to this purchase offer of approximately $2.0 million (post-tax) upon the settlement of the capital lease obligation.

NVR has reached a nonbinding agreement in principle with the agent bank under its $60 million working capital credit facility, which in its current form expires in May 2000, regarding a restructuring of the working capital credit facility. Pursuant to the terms of such agreement in principle, (a) NVR, Inc. would be the borrower under the credit facility instead of NVR Homes, Inc. (b) the facility would provide for borrowings of up to $100 million (with an initial committed amount of $60 million) on an unsecured basis, (c) NVR Homes would guarantee the facility, (d) the facility would be scheduled to expire in May 2001, and (e) NVR would reorganize its corporate structure by merging NVR Homes, NVR Financial Services, Inc. and NVR, Inc. NVR intends to complete the restructuring by May 1999. In the event NVR does not complete the restructuring by that time, the facility would expire in November 1999. As a result of the restructuring, the parent company, NVR, Inc., would conduct its homebuilding business directly and would conduct its mortgage banking business through its direct wholly owned subsidiary, NVR Mortgage Finance, Inc.

In January 1998, NVR Mortgage Finance, Inc., a subsidiary of NVR's wholly owned mortgage banking subsidiary, NVR Financial Services, Inc., amended its mortgage warehouse facility to increase the available borrowing limit to $125,000 from $100,000. The other terms and conditions are substantially the same as those in effect at December 31, 1997.

NVR HOMES, INC.
Consolidated Balance Sheets
(dollars in thousands, except share data)

	MARCH 31, 1998 (unaudited)	DECEMBER 31, 1997
ASSETS		
Cash and cash equivalents	$ 31,795	$ 41,673
Receivables	5,154	3,671
Inventory:		
Lots and housing units, covered under sales agreements with customers	193,562	165,132
Unsold lots and housing units	47,522	51,434
Manufacturing materials and other	4,799	7,475
	245,883	224,041
Property, plant and equipment, net	9,876	10,147
Reorganization value in excess of amounts allocable to identifiable assets, net	67,753	69,366
Goodwill, net	10,479	10,753
Contract land deposits	37,677	36,992
Other assets	20,807	19,869
Total assets	$429,424	$416,512
LIABILITIES AND SHAREHOLDER'S EQUITY		
Accounts payable	$ 62,646	$ 67,534
Accrued expenses and other liabilities	71,389	77,453
Advances from affiliates, net	119,983	102,461
Notes payable	5,630	5,650
Other term debt	5,579	5,627
TOTAL LIABILITIES	265,227	258,725
SHAREHOLDER'S EQUITY:		
Common stock, $0.01 par value; 100 shares authorized; 100 shares issued and outstanding	-	-
Additional paid-in capital	94,688	94,688
Retained earnings	69,509	63,099
Total shareholder's equity	164,197	157,787
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$429,424	$416,512

See notes to consolidated financial statements.

NVR HOMES, INC.
Consolidated Statements of Income
(dollars in thousands)
(unaudited)

	THREE MONTHS ENDED MARCH 31, 1998	THREE MONTHS ENDED MARCH 31, 1997
REVENUES:		
Homebuilding revenues	$291,547	$238,987
Other income	155	509
Total revenues	291,702	239,496
EXPENSES:		
Cost of sales	247,956	207,469
Interest expense-external	427	333
Interest expense-affiliates	3,669	3,669
Selling, general and administrative	25,249	20,357
Amortization of reorganization value in excess of amounts allocable to identifiable assets/goodwill	1,886	1,613
Total expenses	279,187	233,441
Income before income tax expense	12,515	6,055
Income tax expense	(6,105)	(3,023)
NET INCOME	$ 6,410	$ 3,032

See notes to the consolidated financial statements.

NVR HOMES, INC.
Consolidated Statements of Cash Flows
(dollars in thousands)
(unaudited)

	THREE MONTHS ENDED MARCH 31, 1998	THREE MONTHS ENDED MARCH 31, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 6,410	$ 3,032
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	2,677	2,325
Net change in assets and liabilities:		
Decrease (increase) in inventories	(21,842)	966
Increase in receivables	(1,483)	(3,161)
Decrease in accounts payable and accrued liabilities	(11,233)	(25,480)
Other, net	(1,356)	63
Net cash used by operating activities	(26,827)	(22,255)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment	(505)	(594)
Proceeds from sale of property, plant & equipment	-	1
Net cash used by investing activities	(505)	(593)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in advances from affiliates	17,522	4,707
Principal repayments of notes payable and other term debt	(68)	(56)
Net cash provided by financing activities	17,454	4,651
Net decrease in cash	(9,878)	(18,197)
Cash, beginning of the period	41,673	71,471
Cash, end of period	$ 31,795	$ 53,274
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid during the period	$ 3,958	$ 3,955
Taxes paid during the period (net of refunds)	$ 11,832	$ 17,023

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION

The accompanying unaudited, consolidated financial statements include the accounts of NVR Homes, Inc. ("Homes" or the "Company") and its subsidiaries. Homes is a wholly owned subsidiary of NVR, Inc. ("NVR"). Homes conducts all of NVR's homebuilding operations. The statements are provided pursuant to Homes' status as a guarantor of NVR's 11% Senior Notes due 2003. Intercompany accounts and transactions have been eliminated in consolidation. The statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998.

2. ADOPTION OF NEW ACCOUNTING PRINCIPLES

During the quarter ended March 31, 1998, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, Reporting Comprehensive Income. SFAS No. 130 establishes standards for reporting and display of comprehensive income and its components in a full set of general purpose financial statements. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. For the quarters ended March 31, 1998 and 1997, comprehensive income equaled net income; therefore, a separate statement of comprehensive income is not included in the accompanying financial statements.

The Company will also implement SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information in 1998. SFAS No. 131 establishes standards for the way that public enterprises report information about operating segments in annual and interim financial statements. Because the Company has only one reportable operating segment pursuant to the guidance of SFAS No. 131, the implementation of SFAS No. 131 has no impact on the Company's financial statements.

3. DEBT

In January 1998, Homes amended its working capital credit facility. The amended facility resulted in a reduction of the borrowing rate from 2.0% above the Eurodollar Rate to 1.5% above the Eurodollar Rate. The other terms and conditions are substantially the same as those under the facility in effect at December 31, 1997. The facility expires in May 2000.

NVR has reached a nonbinding agreement in principle with the agent bank under the facility, regarding a restructuring of the facility. Pursuant to the terms of such agreement in principle, (a) NVR, Inc. would be the borrower under the facility instead of Homes, (b) the facility would provide for borrowings of up to $100 million (with an initial committed amount of $60 million) on an unsecured basis,

(c) Homes would guarantee the facility, (d) the facility would be scheduled to expire in May 2001, and (e) NVR would reorganize its corporate structure by merging Homes, NVR Financial Services, Inc. and NVR, Inc. NVR intends to complete the restructuring by May 1999. In the event NVR does not complete the restructuring by that time, the facility would expire in November 1999. As a result of the restructuring, the parent company, NVR, Inc., would conduct its homebuilding business directly and would conduct its mortgage banking business through its direct wholly owned subsidiary, NVR Mortgage Finance, Inc.

On April 14, 1998, NVR completed an offering under a universal shelf registration statement for $145 million of senior notes due 2005 (the "New Notes"). The New Notes mature on June 1, 2005 and bear interest at 8%, payable semi-annually on June 1 and December 1 of each year, commencing June 1, 1998. Homes has issued a full and unconditional guarantee relative to the New Notes.

NVR FINANCIAL SERVICES, INC.
Consolidated Balance Sheets
(dollars in thousands, except share data)

	MARCH 31, 1998 (unaudited)	DECEMBER 31, 1997
ASSETS		
MORTGAGE BANKING:		
Cash and cash equivalents	$ 7,476	$ 4,041
Receivables	3,870	3,308
Mortgage loans held for sale, net	167,517	115,744
Property and equipment, net	724	637
Real estate acquired through foreclosure	845	504
Mortgage servicing rights, net	2,971	2,220
Reorganization value in excess of amount allocable to identifiable assets, net	11,428	11,700
Other assets	479	559
	195,310	138,713
LIMITED-PURPOSE FINANCING SUBSIDIARIES:		
Mortgage-backed securities, net	19,007	20,010
Funds held by trustee	1,170	245
Receivables	734	799
Other assets	204	231
	21,115	21,285
TOTAL ASSETS	$216,425	$159,998
LIABILITIES AND SHAREHOLDER'S EQUITY		
MORTGAGE BANKING:		
Accounts payable	$ 9,647	$ 5,380
Accrued expenses and other liabilities	2,795	3,824
Due to affiliates	3,556	116
Notes payable	158,079	108,393
	174,077	117,713
LIMITED-PURPOSE FINANCING SUBSIDIARIES:		
Accrued expenses and other liabilities	908	681
Bonds payable, net	20,197	20,595
	21,105	21,276
TOTAL LIABILITIES	195,182	138,989
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDER'S EQUITY:		
Common stock, $1 par value, 1,000 shares authorized; 100 shares issued and outstanding	-	-
Additional paid-in capital	20,382	20,382
Retained earnings	861	627
Total shareholder's equity	21,243	21,009
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$216,425	$159,998

See notes to consolidated financial statements.

NVR FINANCIAL SERVICES, INC.
Consolidated Statements of Income
(dollars in thousands)
(unaudited)

	THREE MONTHS ENDED MARCH 31, 1998	THREE MONTHS ENDED MARCH 31, 1997
MORTGAGE BANKING:		
Interest income	$ 1,855	$ 1,083
Gain on sales of mortgage loans	5,701	3,092
Servicing fees	192	715
Title fees	1,794	1,315
Other, net	224	50
Total revenues	9,766	6,255
Interest expense	(1,491)	(390)
Interest on advances from affiliates	(96)	(328)
General and administrative	(5,506)	(4,872)
Amortization of mortgage servicing rights	(77)	(157)
Amortization of reorganization value in excess of amounts allocable to identifiable assets	(272)	(272)
Total expenses	(7,442)	(6,019)
Operating income	2,324	236
LIMITED-PURPOSE FINANCING SUBSIDIARIES:		
Interest income	409	596
Interest expense	(399)	(545)
Other, net	(12)	(48)
Operating income	(2)	3
TOTAL OPERATING INCOME	2,322	239
Income tax expense	(1,088)	(134)
NET INCOME	$ 1,234	$ 105

See notes to consolidated financial statements.

NVR FINANCIAL SERVICES, INC.
Consolidated Statements of Cash Flows
(dollars in thousands)
(unaudited)

	THREE MONTHS ENDED MARCH 31, 1998	THREE MONTHS ENDED MARCH 31, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,234	$ 105
Adjustments to reconcile net income to net cash used in operating activities:		
Accretion of net discount on mortgage-backed securities	(86)	(63)
Amortization	458	537
Gain on sales of loans	(5,701)	(3,092)
Mortgage loans closed	(578,334)	(297,698)
Proceeds from sales of mortgage loans	526,271	282,630
Other, net	4,212	586
Net cash used in operating activities	(51,946)	(16,995)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in funds held by trustee	(925)	(773)
Principal payments on mortgage-backed securities	1,152	1,013
Proceeds from sales of mortgage-backed securities	474	6,910
Purchases of office facilities and equipment	(413)	(25)
Proceeds from sales of mortgage servicing rights	2,984	2,102
Other, net	459	47
Net cash provided by investing activities	3,731	9,274
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (decrease) in notes payable	49,686	19,492
Redemption of bonds	(476)	(7,042)
Return of capital/dividend to parent	(1,000)	(4,026)
Change in due to affiliates	3,440	10
Net cash provided by financing activities	51,650	8,434
Net increase in cash	3,435	713
Cash, beginning of period	4,041	3,247
Cash, end of period	$ 7,476	$ 3,960
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid during the period	$ 1,560	$ 1,167
Taxes paid during the period, net of refunds	$ 481	$ (79)

See notes to consolidated financial statements.

1. Basis of Presentation

The accompanying unaudited, consolidated financial statements include the accounts of NVR Financial Services, Inc. ("NVRFS" or the "Company") and its subsidiaries. NVRFS is a wholly owned subsidiary of NVR, Inc. ("NVR"). NVRFS, through its subsidiaries, conducts all of NVR's mortgage banking operations. The statements are provided pursuant to NVRFS' status as a guarantor of NVR's 11% Senior Notes due 2003. Intercompany accounts and transactions have been eliminated in consolidation. The statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998.

2. ADOPTION OF NEW ACCOUNTING PRINCIPLES

During the quarter ended March 31, 1998, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, Reporting Comprehensive Income. SFAS No. 130 establishes standards for reporting and display of comprehensive income and its components in a full set of general purpose financial statements. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. For the quarters ended March 31, 1998 and 1997, comprehensive income equaled net income; therefore, a separate statement of comprehensive income is not included in the accompanying financial statements.

The Company will also implement SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information in 1998. SFAS No. 131 establishes standards for the way that public enterprises report information about operating segments in annual and interim financial statements. Because SFAS No. 131 has a disclosure-only effect on the notes to the Company's financial statements, adoption of SFAS No. 131 has no impact on the Company's results of operations or financial condition. In the year of adoption, the disclosure requirements of SFAS No. 131 need not be applied to interim financial statements. The Company will implement SFAS No. 131 in its full year 1998 financial statements.

(dollars in thousands)

3. SHAREHOLDER'S EQUITY

A summary of changes in shareholder's equity is presented below:

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
BALANCE, DECEMBER 31, 1997	$ -	$ 20,382	$ 627	$21,009
Dividend	-	-	(1,000)	(1,000)
Net income	-	-	1,234	1,234
BALANCE, MARCH 31, 1998	$ -	$ 20,382	$ 861	$21,243

4. Debt

In January 1998, NVR Mortgage Finance, Inc., a subsidiary of NVRFS, amended its mortgage warehouse facility to increase the available borrowing limit to $125,000 from $100,000. The other terms and conditions are substantially the same as those in effect at December 31, 1997.

RVN, INC.
Balance Sheets
(dollars in thousands, except share data)

	MARCH 31, 1998 (unaudited)	DECEMBER 31, 1997
ASSETS		
Cash and cash equivalents	$ 7	$ 11
Royalty receivable	1,910	1,880
Total assets	$1,917	$1,891
LIABILITIES AND SHAREHOLDER'S EQUITY		
Accounts payable and accrued expenses	$ 658	$ 643
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDER'S EQUITY:		
Common stock, $1 par value; 3,000 shares authorized; 1,000 shares issued and outstanding	1	1
Additional paid-in capital	64	64
Retained earnings	1,194	1,183
Total shareholder's equity	1,259	1,248
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$1,917	$1,891

RVN, INC.
Statements of Income
(dollars in thousands)
(unaudited)

	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
REVENUES:		
Royalty revenue	$ 5,329	$ 4,548
Other income	1	3
	5,330	4,551
EXPENSES:		
General and administrative	(7)	(14)
Income before income tax expense	5,323	4,537
Income tax expense	(1,885)	(1,588)
NET INCOME	$ 3,438	$ 2,949

See notes to financial statements

RVN, INC.
Statements of Cash Flows
(dollars in thousands)
(unaudited)

	THREE MONTHS ENDED MARCH 31, 1998	THREE MONTHS ENDED MARCH 31, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 3,438	$ 2,949
Adjustments to reconcile net income to net cash provided by operating activities:		
Increase in royalty receivables	(30)	(185)
Increase in accounts payable and accrued liabilities	15	39
Net cash provided by operating activities	3,423	2,803
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividend to parent	(3,427)	(2,840)
Net cash used by financing activities	(3,427)	(2,840)
Net decrease in cash	(4)	(37)
Cash, beginning of period	11	62
Cash, end of period	$ 7	$ 25
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid during the period	$ -	$ -
Taxes paid during the period, net of refunds	$ 1,842	$ 1,524

See notes to financial statements.

(dollars in thousands)

1. BASIS OF PRESENTATION

The accompanying unaudited financial statements include the accounts of RVN, Inc. ("RVN" or the "Company"). RVN is a wholly owned subsidiary of NVR, Inc. ("NVR"). The statements are provided pursuant to RVN's status as a guarantor of NVR's 11% Senior Notes due 2003. The statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998.

2. ADOPTION OF NEW ACCOUNTING PRINCIPLES

During the quarter ended March 31, 1998, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, Reporting Comprehensive Income. SFAS No. 130 establishes standards for reporting and display of comprehensive income and its components in a full set of general purpose financial statements. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. For the quarters ended March 31, 1998 and 1997, comprehensive income equaled net income; therefore, a separate statement of comprehensive income is not included in the accompanying financial statements.

The Company will also implement SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information in 1998. SFAS No. 131 establishes standards for the way that public enterprises report information about operating segments in annual and interim financial statements. Because the Company has only one reportable operating segment pursuant to the guidance of SFAS No. 131, the implementation of SFAS No. 131 has no impact on the Company's financial statements.

3. SHAREHOLDER'S EQUITY

A summary of changes in shareholder's equity is presented below:

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS
BALANCE, DECEMBER 31, 1997	$ 1	$ 64	$ 1,183
Net income	-	-	3,438
Dividend to parent	-	-	(3,427)
BALANCE, MARCH 31, 1998	$ 1	$ 64	$ 1,194

FOX RIDGE HOMES, INC.
Balance Sheets
(dollars in thousands)

	MARCH 31, 1998 (unaudited)	DECEMBER 31, 1997
ASSETS		
Cash and cash equivalents	$ -	$ -
Accounts receivable	32	192
Inventory, net	20,947	19,879
Investment in FRP, LP	214	179
Property and equipment, net	229	228
Goodwill, net	10,479	10,753
Other	175	122
TOTAL ASSETS	$32,076	$31,353
LIABILITIES AND SHAREHOLDER'S EQUITY		
Notes payable - lot acquisitions	$ 900	$ 900
Notes payable - acquisition note	4,730	4,750
Accounts payable	1,324	2,281
Due to affiliate	8,965	8,012
Accrued expenses	1,043	637
Deferred taxes	281	281
TOTAL LIABILITIES	17,243	16,861
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDER'S EQUITY:		
Common stock, $.01 par, 100,000 shares authorized; 100 shares issued and outstanding	-	-
Additional paid in capital	14,250	14,250
Retained earnings	583	242
Total shareholder's equity	14,833	14,492
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$32,076	$31,353

See notes to financial statements.

Fox Ridge Homes, Inc.
Statements of Income
(dollars in thousands)
(unaudited)

	(SUCCESSOR) THREE MONTHS ENDED MARCH 31, 1998	(PREDECESSOR)* THREE MONTHS ENDED MARCH 31, 1997
REVENUES:		
Homebuilding revenues	$11,458	$11,231
Other income	2	15
Total revenues	11,460	11,246
EXPENSES:		
Cost of sales	9,574	9,363
Interest expense	266	166
Selling, general and administrative	778	749
Goodwill amortization	273	-
Total expenses	10,891	10,278
Income before income tax expense	569	968
Income tax expense	(228)	(51)
NET INCOME	$ 341	$ 917

* Period is prior to the date that the Company was acquired by NVR Homes, Inc. (see note 1)

See notes to the financial statements.

FOX RIDGE HOMES, INC.
Statements of Cash Flows
(dollars in thousands)
(unaudited)

	(SUCCESSOR) THREE MONTHS ENDED MARCH 31, 1998	(PREDECESSOR)* THREE MONTHS ENDED MARCH 31, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 341	$ 915
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	302	42
Equity earnings in FRP, LP	(35)	-
Net change in assets and liabilities:		
Decrease (increase) in inventories	(1,068)	203
Decrease (increase) in receivables	160	(461)
Decrease in accounts payable and accrued liabilities	(551)	(880)
Other, net	(53)	12
Net cash used by operating activities	(904)	(169)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment	(29)	(70)
Dividends from FRP, LP	-	79
Net cash (used) provided by investing activities	(29)	9
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of dividends	-	(999)
Increase in advances from affiliates	953	-
Net borrowings (repayments) under notes payable	(20)	1,898
Net cash provided by financing activities	933	899
Net increase (decrease) in cash	-	739
Cash, beginning of the period	-	660
Cash, end of period	$ -	$1,399
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid during the period	$ 172	$ 130
Taxes paid during the period (net of refunds)	$ (142)	$ 133

* Period is prior to the date that the Company was acquired by NVR Homes, Inc. (see note 1)

See notes to financial statements.

FOX RIDGE HOMES, INC.
Notes to Financial Statements
(dollars in thousands)

1. Basis of Presentation

Fox Ridge Homes, Inc. ("Fox Ridge" or the "Successor"), a wholly owned subsidiary of NVR Homes Inc. ("Homes"), itself wholly owned by NVR, Inc. ("NVR"), was formed in 1997 to purchase substantially all of the assets and assume certain liabilities (the "Purchase Transaction") of Fox Ridge Homes, Inc. ("FRH" or the "Predecessor"), a home builder in Nashville, Tennessee, which occurred on October 31, 1997 (the "Purchase Date"). The accompanying unaudited financial statements include the accounts of the Successor for the quarter ending March 31, 1998, and include the accounts of the Predecessor for the quarter ending March 31, 1997. As a result, the financial statements for periods subsequent to the Purchase Date are not comparable to the financial statements for periods prior to the Purchase Date. The statements are provided pursuant to Fox Ridge's status as a guarantor of NVR's 11% Senior Notes due 2003. The statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998.

2. Adoption of New Accounting Principles

During the quarter ended March 31, 1998, Fox Ridge adopted Statement of Financial Accounting Standards ("SFAS") No. 130, Reporting Comprehensive Income. SFAS No. 130 establishes standards for reporting and display of comprehensive income and its components in a full set of general purpose financial statements. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. For the quarters ended March 31, 1998 and 1997, comprehensive income equaled net income; therefore, a separate statement of comprehensive income is not included in the accompanying financial statements.

Fox Ridge will also implement SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information in 1998. SFAS No. 131 establishes standards for the way that public enterprises report information about operating segments in annual and interim financial statements. Because Fox Ridge has only one reportable operating segment pursuant to the guidance of SFAS No. 131, the implementation of SFAS No. 131 has no impact on Fox Ridge's financial statements.

ITEM 2.
- -------

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(dollars in thousands, except per share and share data)

FORWARD-LOOKING STATEMENTS

Some of the statements in this Form 10-Q, as well as statements made by the Company in periodic press releases, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as "believes," "expects," "may," "will," "should," or "anticipates" or the negative thereof or other variations thereof or comparable terminology, or by discussion of strategies, each of which involves risks and uncertainties. All statements other than of historical facts included herein, including those regarding market trends, the Company's financial position, business strategy, projected plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risk factors include, but are not limited to, general economic and business conditions, interest rate changes, competition, the availability and cost of land and other raw materials used by the Company in its homebuilding operations, shortages of labor, weather related slow downs, building moratoria, governmental regulation, the ability of the Company to integrate any acquired business, technological problems encountered with year 2000 issues, certain conditions in financial markets and other factors over which the Company has little or no control.

NVR, INC. CONSOLIDATED
- ----------------------

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997

NVR, Inc. ("NVR" or the "Company") is a holding company that operates in two business segments: homebuilding and mortgage banking. Holding company general and administrative expenses are fully allocated to the homebuilding and mortgage banking segments in the information presented below.

HOMEBUILDING SEGMENT

THREE MONTHS ENDED MARCH 31, 1998 AND 1997

During the first quarter of 1998, homebuilding operations generated revenues of $291,547 compared to revenues of $238,987 in the first quarter of 1997. The change in revenues was due primarily to a 17.3% increase in the number of homes settled from 1,315 units in 1997 to 1,543 units in 1998, and to a 4% increase in the average selling price from $181.2 in 1997 to $188.3 in 1998. The increase in settlements is a direct result of the substantially higher backlog at the beginning of the 1998 quarter as compared to the beginning of the same 1997 quarter. New orders of 2,262 during the first quarter of 1998 increased 56.5% compared with the 1,445 new orders generated during the same 1997 period. The increase in new orders was the result of more favorable market conditions in most of the markets in which the Company operates as compared to the prior year quarter, and to a lesser extent, new orders generated by Fox Ridge Homes, Inc, acquired by the Company during the fourth quarter of 1997.

Gross profit margins in the first quarter of 1998 increased to 15.0% as compared to 13.2% for the quarter ended March 31, 1997. The increase in gross margins was due to continuing favorable market conditions, the Company's continued focus on controlling construction costs, unusually mild winter weather experienced in most of the Company's markets, and improved margins in the Company's expansion markets. SG&A expenses for the first quarter of 1998 increased $3,871 from the first quarter of 1997, and as a percentage of revenues was consistent with the prior year quarter. The increase in SG&A dollars is due primarily to the increase in revenues noted above.

Backlog units and dollars were 3,914 and $782,690, respectively, at March 31, 1998 compared to 2,596 and $496,993, respectively, at March 31, 1997. The increase in backlog units and dollars is primarily attributable to a 42.6% increase in new orders for the six month period ended March 31, 1998 compared to the same 1997 period.

The Company believes that earnings before interest, taxes, depreciation and amortization ("EBITDA") provides a meaningful comparison of operating performance of the homebuilding segment because it excludes the amortization of certain intangible assets. Although the Company believes the calculation is helpful in understanding the performance of the homebuilding segment, EBITDA should not be considered a substitute for net income or cash flow as indicators of the Company's financial performance or its ability to generate liquidity.

CALCULATION OF HOMEBUILDING EBITDA:

	THREE MONTHS ENDED MARCH 31,	
	1998	1997
Operating income	$21,895	$14,320
Depreciation	936	830
Amortization of excess reorganization value/goodwill	1,886	1,613
Homebuilding EBITDA	$24,717	$16,763
% of Homebuilding revenues	8.5%	7.0%

Homebuilding EBITDA in the first quarter of 1998 was $7,954 higher than in the first quarter of 1997, and as a percentage of homebuilding revenues, increased from 7.0% to 8.5%.

MORTGAGE BANKING SEGMENT

THREE MONTHS ENDED MARCH 31, 1998 AND 1997

The mortgage banking segment generated operating income of $2,418 for the three months ended March 31, 1998 compared to operating income of $567 during the same period in 1997. Loan closings were $578,334 and $297,698 during the respective quarters ended March 31, 1998 and 1997, representing an increase of 94%.

Mortgage banking fees had a net increase of $2,565, representing a 50% increase when comparing the respective quarters of March 31, 1998 and 1997. The increase can be attributed to the higher gain on sale of loans resulting from the significant increase in loan closings, which is partially offset by the lower servicing fee income resulting from the decrease in the servicing portfolio. A summary of mortgage banking fees is noted below:

MORTGAGE BANKING FEES:	1997	1996
Net gain on sale of loans	$5,701	$3,092
Servicing	192	715
Title services	1,794	1,315
	$7,687	$5,122

YEAR 2000 ISSUE

The Year 2000 Issue is the risk that computer programs using two-digit date fields will fail to properly recognize the year 2000, with the result being business interruptions due to computer system failures by the Company's software or hardware or that of government entities, service providers and vendors. In response to the Year 2000 Issue, the Company has developed a plan to assess the Company's exposure to Year 2000 Issues, and is currently in the process of performing its detailed review. Based on the Company's continuing assessment, Management does not believe that the Company's exposure to Year 2000 Issues will have a material effect on its financial position or results of operations.

LIQUIDITY AND CAPITAL RESOURCES

On January 20, 1998, the Company filed a shelf registration statement with the Securities and Exchange Commission for the issuance of up to $400 million of the Company's debt securities. The shelf registration statement was declared effective on February 27, 1998 and provides that securities may be offered from time to time in one or more series, and in the form of senior or subordinated debt.

On April 14, 1998, the Company completed an offering under the shelf registration statement for $145 million of senior notes due 2005 (the "New Notes"), resulting in aggregate net proceeds to the Company of approximately $142.8 million after fees and expenses. The New Notes mature on June 1, 2005 and bear interest at 8%, payable semi-annually on June 1 and December 1 of each year, commencing June 1, 1998. The New Notes are senior unsecured obligations of the Company, ranking equally in right of payment with the Company's other existing and future unsecured indebtedness. The New Notes are guaranteed on a senior unsecured basis by NVR Homes, Inc. An additional $30 million in principal is available for issuance under the New Note offering.

The Company intends to apply the net proceeds received from the offering of the New Notes to refinance other debt. On April 21, 1998, the Company commenced a tender offer to repurchase the $120 million in aggregate principal outstanding under the Company's 11% Senior Notes due 2003 ("Senior Notes") (the "Tender Offer"). The Tender Offer expires at 12:00 midnight, New York City time, on May 18, 1998, unless otherwise extended by the Company. The total amount of funds required by the Company to pay the consideration in connection with the Tender Offer, including all related costs and expenses, is estimated to be approximately $130 million, plus accrued interest to the settlement date. Assuming 100% of the outstanding principal amount of the Senior Notes is tendered and accepted for payment prior to the expiration date of the Tender Offer, the Company expects to record an extraordinary loss upon the extinguishment of debt of approximately $8.0 million (net of related income tax benefits of approximately $5.0 million) in the second quarter of 1998. The Company has agreed in the supplemental indenture filed in connection with the offer of the New Notes to call any Senior Notes not tendered on December 1, 1998 at a redemption price of 105.5% of the principal amount thereof.

In addition, the Company has irrevocably exercised its option to purchase, effective May 1999, certain office buildings currently utilized by NVR's mortgage banking operations, which will thereby extinguish the Company's obligations under the capital lease pertaining to these buildings. The effective interest rate on the capital lease debt is 13.8%. Pending the purchase, the Company has irrevocably deposited approximately $12 million of the proceeds from the New Notes into an escrow account administered by a trustee, which represents the approximate amount necessary to exercise the purchase option. The Company expects to recognize an extraordinary loss on extinguishment of debt related to this purchase offer of approximately $2.0 million (post-tax) upon the settlement of the capital lease obligation.

NVR's homebuilding segment generally provides for its working capital cash requirements using cash generated from operations and a short-term credit facility. The homebuilding segment has available a $60,000 working capital credit facility to fund its working capital needs, under which no amounts were outstanding at March 31, 1998. The working capital credit facility expires in May 2000. NVR has reached a nonbinding agreement in principle with the agent bank under the working capital credit facility, regarding a restructuring of the working capital credit facility. Pursuant to the terms of such agreement in principle, (a) NVR, Inc. would be the borrower under the credit facility instead of NVR Homes, Inc. (b) the facility would provide for borrowings of up to $100 million (with an initial committed amount of $60 million) on an unsecured basis, (c) NVR Homes would guarantee the facility, (d) the facility would be scheduled to expire in May 2001, and (e) NVR would reorganize its corporate structure by merging NVR Homes, NVR Financial Services, Inc. and NVR, Inc. NVR intends to complete the restructuring by May 1999. In the event NVR does not complete the restructuring by that time, the facility would expire in November 1999. As a result of the restructuring, the parent company, NVR, Inc., would conduct its homebuilding business directly and would conduct its mortgage banking business through its direct wholly owned subsidiary, NVR Mortgage Finance, Inc. There can be no assurance that the restructuring of the facility or the corporate reorganization will be consummated as described, or at all.

NVR's mortgage banking segment provides for its mortgage origination and other operating activities using cash generated from operations as well as various short-term credit facilities. In January 1998, NVR Mortgage Finance, Inc., a subsidiary of NVR's wholly owned mortgage banking subsidiary, NVR Financial Services, Inc., amended its mortgage warehouse facility to increase the available borrowing limit to $125,000 from $100,000. The other terms and conditions are substantially the same as those in effect at December 31, 1997.

The Company believes that internally generated cash and borrowings available under credit facilities will be sufficient to satisfy near and long term cash requirements for working capital in both its homebuilding and mortgage banking operations.

NVR HOMES, INC. CONSOLIDATED

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997

NVR Homes, Inc. ("Homes" or the "Company") is a wholly owned subsidiary of NVR, Inc. ("NVR"). Homes conducts all of NVR's homebuilding operations.

During the first quarter of 1998, homebuilding operations generated revenues of $291,547 compared to revenues of $238,987 in the first quarter of 1997. The change in revenues was due primarily to a 17.3% increase in the number of homes settled from 1,315 units in 1997 to 1,543 units in 1998, and to a 4% increase in the average selling price from $181.2 in 1997 to $188.3 in 1998. The increase in settlements is a direct result of the substantially higher backlog at the beginning of the 1998 quarter as compared to the beginning of the same 1997 quarter. New orders of 2,262 during the first quarter of 1998 increased 56.5% compared with the 1,445 new orders generated during the same 1997 period. The increase in new orders was the result of more favorable market conditions in most of the markets in which the Company operates as compared to the prior year quarter and to a lesser extent, new orders generated by Fox Ridge Homes, Inc, acquired by the Company during the fourth quarter of 1997.

Gross profit margins in the first quarter of 1998 increased to 15.0% as compared to 13.2% for the quarter ended March 31, 1997. The increase in gross margins was due to continuing favorable market conditions, the Company's continued focus on controlling construction costs, unusually mild winter weather experienced in most of the Company's markets and improved margins in the Company's expansion markets.

SG&A expenses for the first quarter of 1998 increased $4,892 from the first quarter of 1997, and as a percentage of revenues increased to 8.7% from 8.5%. The increase in SG&A dollars is due primarily to the increase in revenues noted above, and to increased royalty fees paid to RVN, Inc., a subsidiary of NVR.

Backlog units and dollars were 3,914 and $782,690, respectively, at March 31, 1998 compared to 2,596 and $496,993, respectively, at March 31, 1997. The increase in backlog units and dollars is primarily attributable to a 42.6% increase in new orders for the six month period ended March 31, 1998 compared to the same 1997 period.

LIQUIDITY AND CAPITAL RESOURCES

Homes generally provides for its working capital cash requirements using cash generated from operations and a short-term credit facility. The Company has available a $60,000 working capital credit facility to fund its working capital needs, under which no amounts were outstanding at March 31, 1998. The facility currently expires in May 2000. NVR has reached a nonbinding agreement in principle with the agent bank under the working capital credit facility, regarding a restructuring of the facility. Pursuant to the terms of such agreement in principle, (a) NVR, Inc. would be the borrower under the credit facility instead of NVR Homes, Inc. (b) the facility would provide for borrowings of up to $100 million (with an initial committed amount of $60 million) on an unsecured basis, (c) NVR Homes would guarantee the facility, (d) the facility would be scheduled to expire in May 2001, and (e) NVR would reorganize its corporate structure by merging NVR Homes, NVR Financial Services, Inc. and NVR, Inc. NVR intends to complete the restructuring by May 1999. In the event NVR does not complete the restructuring by that time, the facility would expire in November 1999. As a result of the restructuring, the parent company, NVR, Inc., would conduct its homebuilding business directly and would conduct its mortgage banking business through its direct wholly owned subsidiary, NVR Mortgage Finance, Inc. There can be no assurance that the restructuring of the facility or the corporate reorganization will be consummated as described, or at all.

The Company believes that internally generated cash and borrowings available under credit facilities will be sufficient to satisfy near and long term cash requirements for working capital in its homebuilding operations.

NVR FINANCIAL SERVICES, INC. CONSOLIDATED
- --

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997

NVR Financial Services, Inc. ("NVRFS" or the "Company") is a wholly owned subsidiary of NVR, Inc. ("NVR"). NVRFS, through its subsidiaries, conducts all of NVR's mortgage banking operations.

NVRFS generated operating income of $2,322 for the three months ended March 31, 1998 compared to operating income of $239 during the same period in 1997. Loan closings were $578,334 and $297,698 during the respective quarters ended March 31, 1998 and 1997, representing an increase of 94%.

Mortgage banking fees had a net increase of $2,565, representing a 50% increase when comparing the respective quarters of March 31, 1998 and 1997. The increase can be attributed to the higher gain on sale of loans resulting from the significant increase in loan closings, which is partially offset by the lower servicing fee income resulting from the decrease in the servicing portfolio. A summary of mortgage banking fees is noted below:

MORTGAGE BANKING FEES:	1997	1996
Net gain on sale of loans	$5,701	$3,092
Servicing	192	715
Title services	1,794	1,315
	$7,687	$5,122

LIQUIDITY AND CAPITAL RESOURCES

NVRFS provides for its mortgage origination and other operating activities using cash generated from operations as well as various short-term credit facilities. In January 1998, NVR Mortgage Finance, Inc., a subsidiary of NVRFS, amended its mortgage warehouse facility to increase the available borrowing limit to $125,000 from $100,000. The other terms and conditions are substantially the same as those in effect at December 31, 1997. The Company believes that internally generated cash and borrowings available under credit facilities will be sufficient to satisfy near and long term cash requirements for working capital in its mortgage banking operations.

RVN, INC.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997

Under a royalty agreement entered into on October 1, 1996 with NVR Homes, Inc. ("Homes"), NVR's homebuilding subsidiary, RVN earns royalty fees based on a percentage of settlement revenue for allowing Homes to use the Ryan Homes and NVHomes tradenames to market homes. RVN earns 100% of its revenue from Homes. The increase in royalty revenues in the current period as compared to the prior period quarter results from higher revenues earned by Homes. RVN has no significant other income or general and administrative expenses.

LIQUIDITY AND CAPITAL RESOURCES

RVN provides for its working capital cash requirements using cash generated solely from operations. As shown in RVN's statement of cash flows for the period ended March 31, 1998, cash generated from operations is primarily distributed to NVR. Insofar as Homes' ability to make royalty payments is not impaired, RVN believes that internally generated cash will be sufficient to satisfy its near and long term cash requirements.

FOX RIDGE HOMES, INC.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997

Fox Ridge Homes, Inc. ("Fox Ridge" or the "Successor"), a wholly owned subsidiary of NVR Homes Inc. ("Homes"), itself wholly owned by NVR, Inc. ("NVR"), was formed during 1997 to purchase substantially all of the assets and assume certain liabilities (the "Purchase Transaction") of Fox Ridge Homes, Inc. ("FRH" or the "Predecessor"), a home builder in Nashville, Tennessee. The below analysis of the results of operations is a comparison of the Predecessor's results for the three month's ended March 31, 1997 and the Successor's results for the three month's ended March 31, 1998.

Income before income tax expense decreased $399 to $569 in the first quarter of 1998 from $968 in the first quarter of 1997. The decrease is due to goodwill amortization and increased interest costs incurred in the current year quarter, both of which resulted from the Purchase Transaction. Gross margins and SG&A dollars are essentially flat on settlements of 79 and 81 units for the three months ended March 31, 1998 and 1997, respectively.

Backlog units and dollars were 219 and $32,504, respectively, at March 31, 1998 compared to 145 and $20,786, respectively, at March 31, 1997. The increase in backlog units and dollars is primarily attributable to a 53.4% increase in new orders for the six month period ended March 31, 1998 compared to the same 1997 period.

LIQUIDITY AND CAPITAL RESOURCES

Fox Ridge generally provides for its working capital cash requirements using cash generated from operations and advances from Homes. Insofar as Homes' ability to make advances is not impaired, Fox Ridge believes that internally generated cash and borrowings available from Homes will be sufficient to satisfy near and long term cash requirements.

PART II

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. 11. Computation of Earnings per Share.

b. The Company did not file any reports on Form 8-K during the quarter ended March 31, 1998.

EXHIBIT INDEX

SIGNATURE

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 thereunto duly authorized.

May 12, 1998 NVR, Inc.

By: /s/ Paul C. Saville

Paul C. Saville
Senior Vice President Finance and
Chief Financial Officer

EXHIBIT 11

NVR, INC.
Computation of Earnings Per Share
(amounts in thousands, except per share amounts)

		THREE MONTHS ENDED MARCH 31, 1998	1997
1.	Net income	$10,860	$ 5,763
2.	Average number of shares outstanding	11,453	12,688
3.	Shares issuable upon exercise of dilutive options, warrants and subscriptions outstanding during period, based on average market price	2,034	971
4.	Average number of shares and share equivalents outstanding (2 + 3)	13,487	13,659
5.	Basic earnings per share	$ 0.95	$ 0.45
6.	Diluted earnings per share	$ 0.81	$ 0.42

This schedule contains Summary Financial Information extracted from NVR Inc.'s consolidated financial statements included in Form 10-Q for the three months ended March 31, 1998 and is qualified in its entirety by reference to such financial statements.

0000906163
NVR, INC.
1,000
U.S. DOLLARS

3-MOS
DEC-31-1998
JAN-01-1998
MAR-31-1998
1
39,278
0
4,674
0
245,883
0
17,544
0
633,993
0
120,000
0
0
160,634
(4,305)
633,993
291,547
301,466
247,956
273,504
2,158
0
5,644
20,160
9,300
10,860
0
0
0
10,860
0.95
0.81

Item represents the non-cash amortization of excess reorganization value and goodwill.

This schedule contains Summary Financial Information extracted from NVR Inc.'s consolidated financial statements included in Form 10-Q for the three months ended March 31, 1997 and is qualified in its entirety by reference to such financial statements.

0000906163
NVR, INC.
1,000
U.S. DOLLARS

3-MOS
DEC-31-1997
JAN-01-1997
MAR-31-1997
1
57,259
0
5,902
0
170,727
0
18,472
0
498,833
0
120,000
0
0
156,009
(21,337)
498,833
238,987
245,754
207,469
228,592
1,885
0
4,447
10,830
5,067
5,763
0
0
0
5,763
0.45
0.43

Item represents the non-cash amortization of excess reorganization value.