

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended September 30, 2001

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 No

As of October 15, 2001, there were 7,479,313 total shares of common stock
outstanding.

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FORM 10-Q
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PART I

Item 1.

NVR, Inc.
Condensed Consolidated Balance Sheets
(dollars in thousands)

	September 30, 2001 ----- (unaudited)	December 31, 2000 -----
ASSETS		
Homebuilding:		
Cash and cash equivalents	\$105,163	\$130,079
Receivables	12,159	6,670
Inventory:		
Lots and housing units, covered under sales agreements with customers	377,423	294,094
Unsold lots and housing units	36,179	32,600
Manufacturing materials and other	8,493	7,987
	-----	-----
	422,095	334,681
Property, plant and equipment, net	14,890	13,514
Reorganization value in excess of amounts allocable to identifiable assets, net	43,121	47,741
Goodwill, net	6,652	7,472
Contract land deposits	142,099	96,119
Other assets	70,118	61,210
	-----	-----
	816,297	697,486
	-----	-----
Mortgage Banking:		
Cash and cash equivalents	8,778	7,629
Mortgage loans held for sale, net	148,178	120,999
Mortgage servicing rights, net	1,470	1,479
Property and equipment, net	1,982	2,351
Reorganization value in excess of amounts allocable to identifiable assets, net	7,618	8,435
Other assets	1,269	2,881
	-----	-----
	169,295	143,774
	-----	-----
 Total assets	 \$985,592 =====	 \$841,260 =====

See notes to condensed consolidated financial statements.
(Continued)

NVR, Inc.
Condensed Consolidated Balance Sheets (Continued)
(dollars in thousands)

	September 30, 2001 (unaudited)	December 31, 2000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Homebuilding:		
Accounts payable	\$ 129,706	\$ 108,064
Accrued expenses and other liabilities	206,055	173,787
Customer deposits	84,796	63,486
Notes payable	-	210
Other term debt	5,350	4,957
Senior notes	115,000	115,000
	540,907	465,504
Mortgage Banking:		
Accounts payable and other liabilities	14,302	9,760
Notes payable	132,351	53,488
	146,653	63,248
Total liabilities	687,560	528,752
Forward purchase contract obligation	-	65,028
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$0.01 par value; 60,000,000 shares authorized; 20,614,365 shares issued as of September 30, 2001 and December 31, 2000	206	206
Additional paid-in-capital	191,513	115,136
Deferred compensation trust- 367,618 and 337,703 shares of NVR, Inc. common stock at September 30, 2001 and December 31, 2000, respectively	(19,457)	(15,915)
Deferred compensation liability	19,457	15,915
Retained earnings	569,584	399,810
Less treasury stock at cost; 13,053,877 and 11,755,671 shares at September 30, 2001 and December 31, 2000, respectively	(463,271)	(267,672)
	298,032	247,480
Total shareholders' equity	298,032	247,480
Total liabilities and shareholders' equity	\$ 985,592	\$ 841,260
	=====	=====

See notes to condensed consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
Homebuilding:				
Revenues	\$ 677,962	\$ 602,485	\$ 1,845,676	\$ 1,651,572
Other income	655	650	2,963	2,006
Cost of sales	(530,041)	(485,414)	(1,442,882)	(1,340,073)
Selling, general and administrative	(48,183)	(41,211)	(129,517)	(109,172)
Amortization of reorganization value in excess of amounts allocable to identifiable assets and goodwill	(1,813)	(1,813)	(5,440)	(5,440)
	-----	-----	-----	-----
Operating income	98,580	74,697	270,800	198,893
Interest expense	(2,976)	(3,216)	(8,799)	(9,917)
	-----	-----	-----	-----
Homebuilding income	95,604	71,481	262,001	188,976
	-----	-----	-----	-----
Mortgage Banking:				
Mortgage banking fees	13,922	10,147	36,827	27,285
Interest income	1,670	1,438	4,334	5,149
Other income	274	149	583	333
General and administrative	(6,564)	(8,337)	(18,705)	(24,094)
Amortization of reorganization value in excess of amounts allocable to identifiable assets and goodwill	(272)	(272)	(816)	(980)
Interest expense	(480)	(552)	(1,267)	(2,593)
Restructuring and asset impairment charge	-	-	-	(5,726)
	-----	-----	-----	-----
Operating income/(loss)	8,550	2,573	20,956	(626)
	-----	-----	-----	-----
Total segment income	104,154	74,054	282,957	188,350
Income tax expense	(41,662)	(30,140)	(113,183)	(76,658)
	-----	-----	-----	-----
Net Income	\$ 62,492	\$ 43,914	\$ 169,774	\$ 111,692
	=====	=====	=====	=====
Basic Earnings per Share	\$ 8.02	\$ 4.93	\$ 20.99	\$ 12.19
	=====	=====	=====	=====
Diluted Earnings per Share	\$ 6.68	\$ 4.30	\$ 17.57	\$ 10.78
	=====	=====	=====	=====

See notes to condensed consolidated financial statements.

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

	Nine Months Ended September 30,	
	2001	2000
	----	----
Cash flows from operating activities:		
Net income	\$ 169,774	\$ 111,692
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,834	10,266
Restructuring and asset impairment charge	-	5,726
Mortgage loans closed	(1,344,108)	(1,338,453)
Proceeds from sales of mortgage loans	1,329,607	1,388,708
Gain on sale of mortgage servicing rights	(98)	(622)
Gain on sale of loans	(25,851)	(18,416)
Net change in assets and liabilities:		
Increase in inventories	(87,414)	(36,563)
Increase in receivables	(4,725)	(6,086)
Increase in contract land deposits	(45,980)	(27,431)
Increase in accounts payable, customer deposits and accrued expenses	97,694	49,845
Other, net	(7,519)	(3,371)
	-----	-----
Net cash provided by operating activities	92,214	135,295
	-----	-----
Cash flows from investing activities:		
Purchase of property, plant and equipment	(4,629)	(3,186)
Principal payments on mortgage-backed securities	399	504
Proceeds from sales of mortgage servicing rights	11,822	11,332
Other, net	118	426
	-----	-----
Net cash provided by investing activities	7,710	9,076
	-----	-----
Cash flows from financing activities:		
Purchase of NVR common stock for deferred compensation plan	(3,542)	(1,606)
Redemption of mortgage bonds	(690)	(581)
Net borrowings (repayments) under notes payable and other term debt	79,046	(32,759)
Repurchase of 8% Senior Notes due 2005	-	(30,000)
Purchase of treasury stock	(203,911)	(52,874)
Proceeds from exercise of stock options	5,406	2,721
	-----	-----
Net cash used by financing activities	(123,691)	(115,099)
	-----	-----
Net (decrease) increase in cash	(23,767)	29,272
Cash, beginning of the period	137,708	89,126
Cash, end of period	\$ 113,941	\$ 118,398
	=====	=====
Supplemental disclosures of cash flow information:		
Interest paid during the period	\$ 7,090	\$ 10,305
	=====	=====
Income taxes paid during the period, net of refunds	\$ 66,590	\$ 70,026
	=====	=====

See notes to condensed consolidated financial statements.

NVR, Inc.
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except per share data)

1. Basis of Presentation

The accompanying unaudited, condensed 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 accounting principles generally accepted in the United States of America 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 accounting principles generally accepted in the United States of America for complete financial statements. Because the accompanying condensed consolidated financial statements do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America, they should be read in conjunction with the financial statements and notes thereto included in the Company's 2000 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission. 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 nine month period ended September 30, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001.

For the quarters and the nine-month periods ended September 30, 2001 and 2000, comprehensive income equaled net income; therefore, a separate statement of comprehensive income is not included in the accompanying financial statements.

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. The reclassifications have no impact on the net income or retained earnings previously reported.

2. Shareholders' Equity

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

	Common Stock -----	Paid-In Capital -----	Retained Earnings -----	Treasury Stock -----	Deferred Comp. Trust -----	Deferred Comp. Liability -----
Balance, December 31, 2000	\$ 206	\$ 115,136	\$ 399,810	\$ (267,672)	\$ (15,915)	\$ 15,915
Net income	-	-	169,774	-	-	-
Deferred compensation activity	-	-	-	-	(3,542)	3,542
Purchase of common stock	-	-	-	-	-	-
for treasury	-	-	-	(203,911)	-	-
Option activity	-	5,406	-	-	-	-
Tax benefit from stock-based compensation activity	-	14,255	-	-	-	-
Treasury shares issued	-	-	-	-	-	-
upon option exercise	-	(8,312)	-	8,312	-	-
Settlement of forward	-	-	-	-	-	-
purchase obligation	-	65,028	-	-	-	-
Balance, September 30, 2001	\$ 206 =====	\$ 191,513 =====	\$ 569,584 =====	\$ (463,271) =====	\$ (19,457) =====	\$ 19,457 =====

NVR, Inc.
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except per share data)

Approximately 294,000 options were exercised during the first nine months of 2001, with NVR realizing approximately \$5,406 in aggregate equity proceeds.

On January 2, 2001, NVR settled a forward purchase obligation created on October 3, 2000 with an unaffiliated shareholder by taking physical delivery of the shares for the agreed upon purchase price paid in cash. Of the approximately 780,000 shares settled, approximately 86,000 shares were used for the Company's employer contribution to the Employee Stock Ownership Plan for plan year 2000 and approximately 30,000 shares were used to fund the Deferred Compensation Plan. The remaining shares were retained in treasury.

Including the shares repurchased in settling the forward purchase contract, the Company repurchased approximately 1,592,000 shares of its common stock during the first nine months of 2001 at an aggregate purchase price of approximately \$203,911.

3. Segment Disclosures

NVR operates in two business segments: homebuilding and mortgage banking. Corporate general and administrative expenses are fully allocated to the homebuilding and mortgage banking segments in the information presented below.

For the Nine Months Ended September 30, 2001

	Homebuilding -----	Mortgage Banking -----	Totals -----
Revenues from external customers	\$ 1,845,676	\$ 36,827	\$ 1,882,503 (a)
Segment profit	267,441	21,772	289,213 (b)
Segment assets	766,524	161,677	928,201 (b)

(a) Total amounts for the reportable segments equal the respective amounts for the consolidated enterprise.

(b) The following reconciles segment profit and segment assets to the respective amounts for the consolidated enterprise:

	Homebuilding -----	Mortgage Banking -----	Totals -----
Segment profit	\$ 267,441	\$ 21,772	\$ 289,213
Less: amortization of excess reorganization value and goodwill	(5,440)	(816)	(6,256)
Consolidated income before income taxes	\$ 262,001 =====	\$ 20,956 =====	\$ 282,957 =====
Segment assets	\$ 766,524	\$ 161,677	\$ 928,201
Add: Excess reorganization value and goodwill	49,773	7,618	57,391
Total consolidated assets	\$ 816,297 =====	\$ 169,295 =====	\$ 985,592 =====

NVR, Inc.
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except per share data)

For the Three Months Ended September 30, 2001

	Homebuilding -----	Mortgage Banking -----	Totals -----
Revenues from external customers	\$ 677,962	\$ 13,922	\$ 691,884 (c)
Segment profit	97,417	8,822	106,239 (d)

(c) Total amounts for the reportable segments equal the respective amounts for the consolidated enterprise.

(d) The following reconciles segment profit to the respective amounts for the consolidated enterprise:

	Homebuilding -----	Mortgage Banking -----	Totals -----
Segment profit	\$ 97,417	\$ 8,822	\$ 106,239
Less: amortization of excess reorganization value and goodwill	(1,813)	(272)	(2,085)
Consolidated income before income taxes	\$ 95,604	\$ 8,550	\$ 104,154
	=====	=====	=====

For the Nine Months Ended September 30, 2000

	Homebuilding -----	Mortgage Banking -----	Totals -----
Revenues from external customers	\$ 1,651,572	\$ 27,285	\$ 1,678,857 (e)
Segment profit	194,416	354	194,770 (f)
Segment assets	635,170	113,065	748,235 (f)

(e) Total amounts for the reportable segments equal the respective amounts for the consolidated enterprise.

(f) The following reconciles segment profit and segment assets to the respective amounts for the consolidated enterprise:

	Homebuilding -----	Mortgage Banking -----	Totals -----
Segment profit	\$ 194,416	\$ 354	\$ 194,770
Less: amortization of excess reorganization value and goodwill	(5,440)	(980)	(6,420)
Consolidated income/(loss) before income taxes	\$ 188,976	\$ (626)	\$ 188,350
	=====	=====	=====
Segment assets	\$ 635,170	\$ 113,065	\$ 748,235
Add: Excess reorganization value and goodwill	57,027	8,707	65,734
Total consolidated assets	\$ 692,197	\$ 121,772	\$ 813,969
	=====	=====	=====

For the Three Months Ended September 30, 2000

	Homebuilding -----	Mortgage Banking -----	Totals -----
Revenues from external customers	\$ 602,485	\$ 10,147	\$ 612,632 (g)
Segment profit	73,294	2,845	76,139 (h)

(g) Total amounts for the reportable segments equal the respective amounts for

the consolidated enterprise.

(h) The following reconciles segment profit to the respective amounts for the consolidated enterprise:

	Homebuilding -----	Mortgage Banking -----	Totals -----
Segment profit	\$ 73,294	\$ 2,845	\$ 76,139
Less: amortization of excess reorganization value and goodwill	(1,813)	(272)	(2,085)
Consolidated income before income taxes	\$ 71,481 =====	\$ 2,573 =====	\$ 74,054 =====

NVR, Inc.
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except per share data)

4. Mortgage Banking Segment Restructuring Plan

During the nine months ended September 30, 2001, approximately \$798 in lease costs was applied against the restructuring reserve established in the first quarter of 2000. Approximately \$130 of the restructuring reserve remained at September 30, 2001, which primarily related to accrued lease costs.

5. Stock Option Plan

During the nine months ended September 30, 2001, the Company issued 1,812,600 non-qualified stock options ("Options") under the 2000 Broadly-Based Stock Option Plan (the "2000 Plan"). The 2000 Plan had been approved in 2000 by the Company's Board of Directors and allows the Company to issue Options to directors, key employees and other employees to purchase 2,000,000 shares of the Company's common stock. Each Option grant is exercisable for a period of ten (10) years from the date of grant. The exercise price of the Options granted was equal to the fair value of the Company's common stock on the date of Grant and the Options will vest as to twenty five percent (25%) of the underlying shares on each of December 31, 2006, 2007, 2008 and 2009, subject to the optionee's continued employment. The 2000 Plan is consistent with the Company's strategy of structuring compensation plans to focus the attention of the Company's employees on NVR's long-term goals and link the interests of the Company's employees directly to those of the Company's shareholders. Awards under the 2000 Plan also strongly encourage the retention of the Company's employees, a key component of the Company's business strategy.

6. Debt

NVR amended its mortgage warehouse facility to increase the available borrowing limit. The borrowing limit has been increased to \$163,000 as of September 30, 2001 and will be reduced to \$125,000 effective January 1, 2002. The other terms and conditions are substantially equivalent to those in effect at December 31, 2000. There is \$123,180 outstanding under the facility at September 30, 2001.

Item 2.

Management's Discussion and Analysis
of Financial Condition and Results of Operations
(dollars in thousands, except per 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 and other public communications, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. 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 (on both a national and regional level), interest rate changes, access to suitable financing, 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, fluctuation and volatility of stock and other financial markets and other factors over which the Company has little or no control.

Results of Operations for the Three and Nine Months Ended September 30, 2001 and 2000

NVR, Inc. ("NVR") operates in two business segments: homebuilding and mortgage banking. Corporate general and administrative expenses are fully allocated to the homebuilding and mortgage banking segments in the information presented below.

Homebuilding Segment

Three Months Ended September 30, 2001 and 2000

During the third quarter of 2001, homebuilding operations generated revenues of \$677,962 compared to revenues of \$602,485 in the third quarter of 2000. The change in revenues was due to a 2.5% increase in the number of homes settled to 2,742 units in 2001 from 2,674 units in 2000, and to a 9.8% increase in the average selling price to \$246.4 in 2001 from \$224.5 in 2000. The increase in the average selling price is attributable to price increases in certain of NVR's markets and to single family detached units representing a larger percentage of the total units settled in the third quarter of 2001 as compared to the same prior year period. New orders of 1,857 during the third quarter of 2001 decreased 14.8% compared with the 2,180 new orders generated during the same 2000 period. The decrease in new orders was primarily a result of decreased customer traffic following the events of September 11, 2001.

Gross profit margins in the third quarter of 2001 increased to 21.8% as compared to 19.4% for the third quarter of 2000. The increase in gross margins was due to favorable market conditions, which provided NVR the opportunity to increase selling prices in certain of its markets, and to NVR's ongoing focus on controlling construction costs.

Selling, general and administrative ("SG&A") expenses for the third quarter of 2001 increased \$6,972 from the third quarter of 2000, and as a percentage of revenues, increased to 7.1% from 6.8%. The increase in SG&A dollars is primarily attributable to increases in personnel to facilitate continued growth in existing markets and to the aforementioned increase in revenues.

Backlog units and dollars were 5,593 and \$1,491,260, respectively, at September 30, 2001 compared to 5,355 and \$1,328,585, respectively, at September 30, 2000. The increase in backlog dollars is due to the increase in backlog units in addition to a 9.2% increase in the average selling price over the six month period ended September 30, 2001 as compared to the same period in 2000.

Nine Months Ended September 30, 2001 and 2000

During the first nine months of 2001, homebuilding operations generated revenues of \$1,845,676 compared to revenues of \$1,651,572 in the first nine months of 2000. The increase in revenues was primarily due to a 2.7% increase in the number of homes settled to 7,577 in 2001 from 7,379 in 2000, and to an 8.9% increase in the average settlement price to \$242.8 in 2001 from \$222.9 in 2000. The increase in the average settlement price is attributable to price increases in certain of NVR's markets. New orders increased by 2.9% to 8,022 for the nine months ended September 30, 2001 compared with 7,799 for the nine months ended September 30, 2000.

Gross profit margins for the first nine months of 2001 increased to 21.8% compared to 18.9% for the nine months ended September 30, 2000. The increase in gross profit margins was due to continuing favorable market conditions, which provided NVR the opportunity to increase selling prices in certain of its markets, lower costs for lumber and certain other commodities, and to NVR's continued focus on controlling construction costs.

SG&A expenses for 2001 increased \$20,345 compared to the same 2000 period, and as a percentage of revenues increased to 7.0% from 6.6%. The increase in SG&A dollars is primarily attributable to an increase in staffing and other related administrative expenses to facilitate continued growth in existing markets and to the aforementioned increase in revenues.

Mortgage Banking Segment

Three and Nine Months Ended September 30, 2001 and 2000

The mortgage banking segment had operating income of \$8,822 during the quarter ended September 30, 2001 compared to operating income of \$2,845 for the three months ended September 30, 2000. Loan closings were \$503,065 and \$401,037 for the three months ended September 30, 2001 and September 30, 2000, respectively, an increase of 25%.

The mortgage banking segment had operating income of \$21,772 during the nine months ended September 30, 2001 compared to operating income of \$354 for the nine months ended September 30, 2000. Excluding the \$5,726 restructuring and asset impairment charge incurred by the mortgage segment in the first quarter of 2000, operating income for the nine months ended September 30, 2000, was \$6,080. Loan closings from continuing operations were \$1,344,108 and \$1,097,064 for the nine months ended September 30, 2001 and 2000, respectively, an increase of 23%. Total loan closings, including discontinued wholesale and retail operations, were \$1,338,453 for the period ended September 30, 2000.

The improvement in operating income over both comparative periods was primarily due to NVR's operational restructuring of the mortgage segment announced in the first quarter of 2000, and to a lesser extent, to a more favorable pricing environment. The operational restructuring specifically entailed the closure of all of the mortgage segment's retail operations to focus solely on serving NVR's homebuilding operations ("builder business"). The mortgage segment's builder business historically has created greater operating margins than its other lines of mortgage business. As part of its restructuring, the mortgage segment also substantially reduced staffing and related general and administrative costs.

Recent Accounting Pronouncements

The Financial Accounting Standards Board has issued Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. SFAS No. 142 changes the accounting for goodwill and reorganization value in excess of amounts allocable to identifiable assets ("excess reorganization value") from an amortization approach to an impairment-only approach. Management does not expect that NVR will incur a material impairment loss relative to its existing excess reorganization value and goodwill upon adoption of SFAS No. 142 on January 1, 2002. Further, NVR will cease amortizing goodwill and excess reorganization value effective January 1, 2002.

Liquidity and Capital Resources

NVR has \$255,000 available for issuance under a shelf registration statement filed with the Securities and Exchange Commission on January 20, 1998. 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.

NVR's homebuilding segment generally provides for its working capital requirements using cash generated from operations and a short-term unsecured working capital revolving credit facility (the "Facility"). The Facility expires on May 31, 2004. The Facility provides for unsecured borrowings of up to \$85,000, subject to certain borrowing base limitations. Up to approximately \$40,000 of the Facility is currently available for issuance in the form of letters of credit, of which \$21,466 was outstanding at September 30, 2001. There were no direct borrowings outstanding under the Facility as of September 30, 2001, nor were there any borrowing base limitations reducing the amount available to NVR for borrowings.

NVR's mortgage banking segment provides for its mortgage origination and other operating activities using cash generated from operations as well as a short-term credit facility. NVR Mortgage Finance, Inc. ("NVR Finance") has available a mortgage warehouse facility with an aggregate available borrowing limit of \$163,000 to fund its mortgage origination activities. The warehouse facility borrowing limit will be reduced to \$125,000 as of January 1, 2002. There was \$123,180 outstanding under this facility at September 30, 2001. NVR Finance also currently has available an aggregate of \$150,000 of borrowing capacity in various uncommitted gestation and repurchase agreements. There was an aggregate of \$8,955 outstanding under such gestation and repurchase agreements at September 30, 2001.

On January 2, 2001, NVR settled a forward purchase obligation created on October 3, 2000 with an unaffiliated shareholder by taking physical delivery of the shares for the agreed upon purchase price paid in cash. Of the approximately 780,000 shares settled, approximately 86,000 shares were used for NVR's employer contribution to the Employee Stock Ownership Plan for plan year 2000 and

approximately 30,000 shares were used to fund the Deferred Compensation Plan. The remaining shares were retained in treasury.

On February 27, 2001, NVR successfully completed a solicitation of consents from holders of its 8% Senior Notes due 2005 ("Notes") to amend the Indenture governing the Notes. The amendment to the Indenture allows for NVR to repurchase up to an aggregate \$85 million of its capital stock, in addition to that otherwise provided under the NVR's Indenture, in one or more open market and/or privately negotiated transactions through March 31, 2002. On March 2, 2001, NVR paid to each holder of the Notes who provided a consent, an amount equal to 4.5% of the principal amount of such holder's Notes.

Including the shares repurchased in settling the forward purchase obligation, NVR repurchased approximately 1,592,000 shares of its common stock at an aggregate purchase price of \$203,911 during the nine months ended September 30, 2001. NVR may, from time to time, repurchase additional shares of its common stock, pursuant to repurchase authorizations by the Board of Directors and subject to the restrictions contained within its debt agreements.

NVR 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.

Part II

Item 6. Exhibits and Reports on Form 8-K

- a. 11. Computation of Earnings per Share.
- b. NVR did not file any reports on Form 8-K during the quarter ended September 30, 2001.

Exhibit Index

Exhibit Number	Description	Page
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11	Computation of Earnings per Share	16

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.

October 18, 2001

NVR, Inc.

By: /s/ Paul C. Saville

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
1. Net income	\$ 62,492 =====	\$ 43,914 =====	\$ 169,774 =====	\$ 111,692 =====
2. Average number of shares outstanding	7,794	8,905	8,090	9,164
3. Shares issuable upon exercise of dilutive options, based on average market price	1,562 -----	1,304 -----	1,574 -----	1,194 -----
4. Average number of shares and share equivalents outstanding (2 + 3)	9,356 =====	10,209 =====	9,664 =====	10,358 =====
5. Basic earnings per share (1/2)	\$ 8.02 =====	\$ 4.93 =====	\$ 20.99 =====	\$ 12.19 =====
6. Diluted earnings per share (1/4)	\$ 6.68 =====	\$ 4.30 =====	\$ 17.57 =====	\$ 10.78 =====