

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 March 31, 2002

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 April 15, 2002 there were 7,212,856 total shares of common stock
outstanding.

NVR, Inc.
Form 10-Q
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2002 ----- (unaudited)	December 31, 2001 -----
ASSETS		
Homebuilding:		
Cash and cash equivalents	\$ 73,621	\$ 134,181
Receivables	6,387	5,745
Inventory:		
Lots and housing units, covered under sales agreements with customers	389,590	356,275
Unsold lots and housing units	32,723	37,265
Manufacturing materials and other	6,996	8,835
	----- 429,309	----- 402,375
Property, plant and equipment, net	15,030	15,397
Reorganization value in excess of amounts allocable to identifiable assets, net	41,580	41,580
Goodwill, net	6,379	6,379
Contract land deposits	165,547	155,652
Other assets	84,081	76,556
	----- 821,934	----- 837,865
Mortgage Banking:		
Cash and cash equivalents	3,893	4,430
Mortgage loans held for sale, net	136,103	142,059
Mortgage servicing rights, net	5,306	1,328
Property and equipment, net	776	781
Reorganization value in excess of amounts allocable to identifiable assets, net	7,347	7,347
Other assets	1,238	1,237
	----- 154,663	----- 157,182
Total assets	\$ 976,597 =====	\$ 995,047 =====

(Continued)

See notes to condensed consolidated financial statements.

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

	March 31, 2002 ----- (unaudited)	December 31, 2001 -----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Homebuilding:		
Accounts payable	\$ 129,049	\$ 127,658
Accrued expenses and other liabilities	132,241	114,781
Obligations under incentive plans	55,008	72,241
Customer deposits	98,698	81,924
Other term debt	5,181	5,259
Senior notes	115,000	115,000
	-----	-----
	535,177	516,863
	-----	-----
Mortgage Banking:		
Accounts payable and other liabilities	12,423	10,355
Notes payable	116,207	118,711
	-----	-----
	128,630	129,066
	-----	-----
 Total liabilities	 663,807	 645,929
	-----	-----
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$0.01 par value; 60,000,000 shares authorized; 20,614,365 shares issued as of March 31, 2002 and December 31, 2001	206	206
Additional paid-in-capital	210,560	193,757
Deferred compensation trust-371,788 and 393,955 shares as of March 31, 2002 and December 31, 2001, respectively, of NVR, Inc. common stock	(23,157)	(24,201)
Deferred compensation liability	23,157	24,201
Retained earnings	713,317	636,604
Less treasury stock at cost-13,426,743 and 13,139,332 shares at March 31, 2002 and December 31, 2001, respectively	(611,293)	(481,449)
	-----	-----
Total shareholders' equity	312,790	349,118
	-----	-----
Total liabilities and shareholders' equity	\$ 976,597	\$ 995,047
	=====	=====

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 March 31, 2002	Three Months Ended March 31, 2001
	-----	-----
Homebuilding:		
Revenues	\$ 674,982	\$ 519,249
Other income	758	1,058
Cost of sales	(513,231)	(407,165)
Selling, general and administrative	(47,417)	(34,516)
Amortization of reorganization value in excess of amounts allocable to identifiable assets/goodwill	-	(1,813)
	-----	-----
Operating income	115,092	76,813
Interest expense	(3,064)	(2,771)
	-----	-----
Homebuilding income	112,028	74,042
	-----	-----
Mortgage Banking:		
Mortgage banking fees	14,861	9,990
Interest income	1,526	1,258
Other income	128	141
General and administrative	(5,081)	(4,918)
Amortization of reorganization value in excess of amounts allocable to identifiable assets/goodwill	-	(272)
Interest expense	(327)	(374)
	-----	-----
Operating income	11,107	5,825
	-----	-----
Total segment income	123,135	79,867
Income tax expense	(46,422)	(31,947)
	-----	-----
Net income	\$ 76,713	\$ 47,920
	=====	=====
Basic earnings per share	\$ 10.37	\$ 5.74
	=====	=====
Diluted earnings per share	\$ 8.17	\$ 4.84
	=====	=====

See notes to condensed consolidated financial statements.

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

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
	-----	-----
Cash flows from operating activities:		
Net income	\$ 76,713	\$ 47,920
Adjustments to reconcile net income to net cash (used) provided by operating activities:		
Depreciation and amortization	1,777	3,240
Mortgage loans closed	(477,737)	(359,475)
Proceeds from sales of mortgage loans	489,140	363,696
Gain on sales of mortgage servicing rights	(316)	(378)
Gain on sale of loans	(10,761)	(6,445)
Net change in assets and liabilities		
Increase in inventories	(26,934)	(39,035)
Increase in contract land deposits	(9,895)	(15,588)
Increase in receivables	(645)	(3,272)
Increase in accounts payable and accrued expenses	60,260	34,324
Decrease in obligations under incentive plans	(17,233)	(19,481)
Other, net	(5,496)	(3,042)
	-----	-----
Net cash provided by operating activities	78,873	2,464
	-----	-----
Cash flows from investing activities:		
Purchase of property, plant and equipment	(985)	(633)
Principal payments on mortgage loans held for sale	688	187
Proceeds from sales of mortgage servicing rights, net	456	4,474
Other, net	22	(1)
	-----	-----
Net cash provided by investing activities	181	4,027
	-----	-----
Cash flows from financing activities:		
Purchase of NVR common stock for funding of deferred compensation plan	(37,469)	(3,542)
Net (repayments) borrowings under notes payable and other term debt	(2,582)	52,537
Payment of senior note consent fees	(2,125)	(4,928)
Redemption of mortgage-backed bonds	-	(186)
Purchase of treasury stock	(103,339)	(82,798)
Proceeds from exercise of stock options	5,364	3,996
	-----	-----
Net cash used by financing activities	(140,151)	(34,921)
	-----	-----
Net decrease in cash and cash equivalents	(61,097)	(28,430)
Cash and cash equivalents, beginning of the period	138,611	137,708
	-----	-----
Cash and cash equivalents, end of period	\$ 77,514	\$ 109,278
	=====	=====
Supplemental disclosures of cash flow information:		
Interest paid during the period	\$ 648	\$ 845
	=====	=====
Income taxes paid, net of refunds	\$ 12,344	\$ 10,119
	=====	=====

See notes to condensed consolidated financial statements.

NVR, Inc.
Notes to Condensed Consolidated Financial Statements
(dollars in thousands, except per share and 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 conformity 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 2001 Annual Report on Form 10-K. 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, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002.

For the quarters ended March 31, 2002 and 2001, comprehensive income equaled net income; therefore, a separate statement of comprehensive income is not included in the accompanying financial statements.

2. Shareholders' Equity

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

	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Deferred Comp. Trust	Deferred Comp. Liability
	-----	-----	-----	-----	-----	-----
Balance, December 31, 2001	\$ 206	\$193,757	\$ 636,604	\$(481,449)	\$ (24,201)	\$ 24,201
Net income	-	-	76,713	-	-	-
Deferred compensation activity	-	-	-	-	1,044	(1,044)
Purchase of common stock	-	-	-	-	-	-
for treasury	-	-	-	(103,339)	-	-
Purchase of common stock	-	-	-	-	-	-
for deferred compensation plan	-	-	-	(37,469)	-	-
Option activity	-	5,364	-	-	-	-
Tax benefit from stock-based	-	-	-	-	-	-
compensation activity	-	22,403	-	-	-	-
Treasury shares issued	-	-	-	-	-	-
upon option exercise	-	(10,964)	-	10,964	-	-
Balance, March 31, 2002	<u>\$ 206</u>	<u>\$ 210,560</u>	<u>\$ 713,317</u>	<u>\$(611,293)</u>	<u>\$ (23,157)</u>	<u>\$ 23,157</u>

Approximately 263,400 options were exercised during the first quarter of 2002, with NVR receiving \$5,364 in aggregate equity proceeds.

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

The Company repurchased approximately 380,000 shares of its common stock at an aggregate purchase price of \$103,339 during the three months ended March 31, 2002. In addition, 170,732 shares of the Company's common stock were purchased at an aggregate purchase price of \$37,469 by the Company's Rabbi Trust, which holds the investments for the Deferred Compensation Plan. These shares are recorded in the Company's treasury stock account until such shares are vested under the respective compensation plan (see footnote 4).

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 Three Months Ended March 31, 2002

	Homebuilding -----	Mortgage Banking -----	Totals -----	
Revenues from external customers	\$ 674,982	\$ 14,861	\$ 689,843	(a)
Segment profit	112,028	11,107	123,135	(a)
Segment assets	773,975	147,316	921,291	(b)

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

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

	Homebuilding -----	Mortgage Banking -----	Totals -----	
Segment assets	\$ 773,975	\$ 147,316	\$ 921,291	
Add: Excess reorganization value and goodwill	47,959	7,347	55,306	
Total consolidated assets	\$ 821,934 =====	\$ 154,663 =====	\$ 976,597 =====	

For the Three Months Ended March 31, 2001

	Homebuilding -----	Mortgage Banking -----	Totals -----	
Revenues from external customers	\$ 519,249	\$ 9,990	\$ 529,239	(c)
Segment profit	75,855	6,097	81,952	(d)
Segment assets	675,163	137,367	812,530	(d)

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

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

	Homebuilding -----	Mortgage Banking -----	Totals -----
Segment profit	\$ 75,855	\$ 6,097	\$ 81,952
Less: amortization of excess reorganization value and goodwill	(1,813) -----	(272) -----	(2,085) -----
Consolidated income before income taxes	\$ 74,042 =====	\$ 5,825 =====	\$ 79,867 =====
Segment assets	\$ 675,163	\$ 137,367	\$ 812,530
Add: Excess reorganization value and goodwill	53,400 -----	8,162 -----	61,562 -----
Total consolidated assets	\$ 728,563 =====	\$ 145,529 =====	\$ 874,092 =====

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

4. Deferred Incentive Compensation Plan

In January 2002, the Company amended the High Performance Compensation Plan (the "HP Plan") to require executive officers to defer receipt of compensation earned under the HP Plan for the three-year measurement period ended December 31, 2001 into the Deferred Compensation Plan until the officer's separation of service from the Company. The effect of this amendment is estimated to produce a \$7,975 deferred tax benefit for compensation expense recognized for the HP Plan from inception through December 31, 2001. Amounts deferred into the Deferred Compensation Plan are invested in shares of NVR common stock, which, if vested, will be distributed to the executive officer upon the officer's separation of service. Shares held in the Deferred Compensation Plan for participants terminating prior to full vesting revert back to the Company, and any related compensation expense previously recognized will be reversed in the period of termination.

The Company recognizes compensation expense using a graded vesting method over the six-year period from inception of the measurement period of the HP Plan through final vesting. During the first quarter of 2002 and 2001, the Company recognized compensation expense of \$3,645 and \$1,949, respectively, under the HP Plan covering the three-year measurement period ended December 31, 2001.

During the first quarter of 2002, the Company contributed \$37,469 to a Rabbi Trust, which holds the investment for the Deferred Compensation Plan, to fund the total obligations earned by the executive officers under the HP Plan for the three-year measurement period ended December 31, 2001. The Rabbi Trust in turn purchased 170,732 shares of NVR common stock in the open market. In accordance with Emerging Issue Task Force Abstract 97-14, Accounting for Deferred Compensation Arrangements Where Amounts Earned are Held in a Rabbi Trust and Invested, the shares purchased by the Rabbi Trust will be initially classified as treasury stock in the equity section of the accompanying balance sheet. At each vesting date, the historical basis of the vested shares will be reclassified to the deferred compensation trust caption in the equity section of the balance sheet. Additionally, the portion of the accrued compensation obligation previously expensed relative to the vested shares will be reclassified from obligations under incentive plans within the liability section of the balance sheet to the deferred compensation liability caption in the equity section. The deferred compensation trust and deferred compensation liability accounts will be relieved upon distribution of the shares.

In accordance with Financial Accounting Standards Board Statement No. 128, Earnings per Share ("SFAS 128"), for purposes of calculating basic and diluted earnings per share, the Company classifies the vested shares held in the deferred compensation trust as outstanding shares, weighted to reflect the portion of the period during which the shares were vested. Unvested shares held in the deferred compensation trust are considered outstanding only for purposes of calculating diluted earnings per share. The dilutive effect of such shares is computed using the treasury stock method as defined in SFAS 128.

5. Excess Reorganization Value and Goodwill

The Company has adopted Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("SFAS 142"), which changed 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. SFAS 142 requires goodwill and excess reorganization value, which is no longer subject to amortization, to be tested for impairment as of the beginning of the fiscal year in which SFAS 142 is adopted. The Company has completed the assessment of impairment during the first quarter of 2002 and determined that there is no impairment of either goodwill or excess reorganization value. Following is the pro forma effect of adoption of SFAS 142 on the three month period ended March 31, 2001:

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

	For the Three Months Ended March 31,	
	2002	2001
	-----	-----
Net income	\$ 76,713	\$ 47,920
Add back:		
Goodwill, net of tax	-	165
Excess reorganization value	-	1,812
	-----	-----
Adjusted net income	\$ 76,713	\$ 49,897
	=====	=====
Basic earnings per share:		
Net income	\$ 10.37	\$ 5.74
Goodwill amortization	-	0.02
Excess reorganization value amortization	-	0.22
	-----	-----
Adjusted net income	\$ 10.37	\$ 5.98
	=====	=====
Diluted earnings per share:		
Net income	\$ 8.17	\$ 4.84
Goodwill amortization	-	0.02
Excess reorganization value amortization	-	0.18
	-----	-----
Adjusted net income	\$ 8.17	\$ 5.04
	=====	=====

Item 2. Management's Discussion and Analysis of Financial Condition and
- ----- Results of Operations

Forward-Looking Statements

Some of the statements in this Form 10-Q, as well as statements made by NVR 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, NVR'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 NVR 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 NVR in its homebuilding operations, shortages of labor, weather related slow downs, building moratoria, governmental regulation, the ability of NVR to integrate any acquired business, fluctuation and volatility of stock and other financial markets and other factors over which NVR has little or no control.

Results of Operations for the Three Months Ended March 31, 2002 and 2001

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. Unless otherwise indicated, all references to dollars in this Item 2 are in thousands, except per share and other share data.

Homebuilding Segment

Three Months Ended March 31, 2002 and 2001

During the first quarter of 2002, homebuilding operations generated revenues of \$674,982 compared to revenues of \$519,249 in the first quarter of 2001. The change in revenues was due primarily to a 19% increase in the number of units settled to 2,628 units in 2002 from 2,206 units in 2001 and to a 9% increase in the average selling price to \$256.3 in 2002 from \$234.7 in 2001. The increase in settlements is a result of higher backlog at the beginning of the 2002 period as compared to the beginning of the same 2001 period and an improved backlog turn partially due to the mild winter conditions experienced in most of NVR's markets during the first quarter of 2002. The increase in the average selling price is attributable to a larger percentage of settlements of single family detached homes, which, in comparison, are generally higher priced than NVR's single family attached homes, and to price increases in certain of NVR's markets. New orders increased 6% during the first quarter of 2002 to 2,989 units compared with the 2,823 new orders generated during the same period in 2001.

Gross profit margins in the first quarter of 2002 increased to 24.0% as compared to 21.6% for the quarter ended March 31, 2001. The increase in gross margins was due to continuing favorable market conditions, which provided NVR the opportunity to increase selling prices in certain of its markets,

relatively stable costs for lumber and certain other commodities and to NVR's ongoing focus on controlling construction costs.

Selling, general and administrative ("SG&A") expenses for the first quarter of 2002 increased \$12,901 from the first quarter of 2001, and increased as a percentage of revenues to 7.0% in 2002 from 6.6% in the first quarter of 2001. The increase in SG&A dollars and as a percentage of revenues is primarily attributable to the aforementioned increase in revenues, an increase in personnel to facilitate continued growth in existing markets and increased costs for management incentive plans.

Backlog units and dollars were 5,919 and \$1,699,214, respectively, at March 31, 2002 compared to 5,765 and \$1,490,932, respectively, at March 31, 2001. The increase in backlog dollars is primarily due to a 13% increase in the average selling price for the six-month period ended March 31, 2002 as compared to the same 2001 period.

Mortgage Banking Segment

Three Months Ended March 31, 2002 and 2001

The mortgage banking segment had operating income of \$11,107 during the quarter ended March 31, 2002 compared to operating income of \$6,097 for the three months ended March 31, 2001. Loan closings were \$477,737 and \$359,475 for the three months ended March 31, 2002 and March 31, 2001, respectively, an increase of 33%. The \$118,262 increase in the dollar volume of loan closings is primarily attributable to a 22% increase in the number of loans closed, and to a 9% increase in the average loan amount. The improvement in operating income is primarily the result of higher mortgage banking fees due to the increased closed loan volume, and to the segment's focus on controlling general and administrative costs. The mortgage banking segment continues to focus almost exclusively on serving NVR's homebuilding operations. This focus has resulted in the mortgage segment capturing an increased percentage of the loans and title work associated with the growing homebuilding segment's customer base. As noted above, the homebuilding segment's settlements increased to 2,628 in the first quarter of 2002 from 2,206 in the first quarter of 2001.

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, as declared effective on February 27, 1998, 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 cash 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 \$18,844 was outstanding at March 31, 2002. There were no direct borrowings outstanding under the Facility as of March 31, 2002. At March 31, 2002, there were no 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's mortgage banking segment has available a mortgage warehouse facility with an aggregate available borrowing limit of \$125,000 to fund its mortgage origination activities. There was \$110,440 outstanding under this facility at March 31, 2002. NVR's mortgage banking segment also currently has available an aggregate of \$75,000 of borrowing capacity in various uncommitted gestation and repurchase agreements. There was an aggregate of \$5,603 outstanding under such gestation and repurchase agreements at March 31, 2002.

On March 14, 2002, 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 \$100 million of its capital stock, in addition to that otherwise provided under the Company's Indenture, in one or more open market and/or privately negotiated transactions through June 1, 2003. On March 19, 2002, NVR paid to each holder of the Notes who provided a consent, an amount equal to 2.0% of the principal amount of such holder's Notes. The aggregate fee paid was deferred and will be amortized as an adjustment to interest expense over the remaining life of the Notes.

The Company repurchased approximately 380,000 shares of its common stock at an aggregate purchase price of \$103,339 during the three months ended March 31, 2002. In addition, the Company's Rabbi Trust, which holds the investments for the Deferred Compensation Plan, purchased 170,732 shares of the Company's common stock at an aggregate purchase price of \$37,469. The Rabbi Trust shares are recorded in the Company's treasury stock account until such shares are vested under the respective compensation plan (see footnote 4). The Company 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 the Company's debt agreements.

Management 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. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

During the first quarter of 2002, NVR commenced a consent solicitation of the holders of its 8% Senior Notes due 2005 (the "Notes") to amend the Indenture governing the Notes. The amendment to the Indenture allows for NVR to repurchase up to an aggregate \$100 million of its capital stock, in addition to that otherwise provided under the Company's Indenture, in one or more open market and/or privately negotiated transactions through June 1, 2003. NVR paid to each holder of the Notes who provided a consent, an amount equal to 2.0% of the principal amount of such holder's Notes. The consent was successfully completed on March 14, 2002.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

11. Computation of Earnings per Share.

(b) Reports on Form 8-K

Form 8-K filed March 4, 2002, announcing the solicitation of consents from holders of NVR's 8% Senior Notes due 2005 (the "Notes") to amend the Indenture governing the Notes.

Form 8-K filed March 15, 2002, announcing the successful completion of the solicitation of consents from holders of the Notes to amend the Indenture governing the Notes.

Exhibit Index

Exhibit Number	Description	Page
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.

April 22, 2002

NVR, Inc.

By: /s/ Paul C. Saville

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

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

		Three Months Ended March 31,	
		2002	2001
		-----	-----
1.	Net income	\$ 76,713 =====	\$ 47,920 =====
2.	Average number of shares outstanding	7,397	8,352
3.	Shares issuable upon exercise of dilutive options outstanding during period, based on average market price	1,988 -----	1,542 -----
4.	Average number of shares and share equivalents outstanding (2 + 3)	9,385 =====	9,894 =====
5.	Basic earnings per share	\$ 10.37 =====	\$ 5.74 =====
6.	Diluted earnings per share	\$ 8.17 =====	\$ 4.84 =====