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 June 30, 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 character)

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 July 23, 1998 there were 11,313,963 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 ___

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PART I

ITEM 1.

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

ASSETS	JUNE 30, 1998 (unaudited)	DECEMBER 31, 1997
HOMEBUILDING:		
Cash and cash equivalents	$ 60,644	$ 41,684
Receivables	5,965	3,398
Inventory:		
Lots and housing units, covered under sales agreements with customers	230,142	165,132
Unsold lots and housing units	38,922	51,434
Manufacturing materials and other	5,673	7,475
	274,737	224,041
Property, plant and equipment, net	16,429	17,241
Reorganization value in excess of amounts allocable to identifiable assets, net	66,139	69,366
Goodwill, net	10,206	10,753
Contract land deposits	38,341	36,992
Other assets	24,231	22,424
	496,692	425,899
MORTGAGE BANKING:		
Cash and cash equivalents	12,096	4,041
Mortgage loans held for sale, net	181,740	115,744
Mortgage servicing rights, net	3,234	2,220
Property and equipment, net	461	637
Reorganization value in excess of amounts allocable to identifiable assets, net	11,155	11,700
Other assets	6,112	4,380
	214,798	138,722
TOTAL ASSETS	$711,490	$564,621

See notes to consolidated financial statements.

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

	JUNE 30, 1998 (UNAUDITED)	DECEMBER 31, 1997
LIABILITIES AND SHAREHOLDERS' EQUITY		
HOMEBUILDING:		
Accounts payable	$ 76,275	$ 67,987
Accrued expenses and other liabilities	114,707	94,931
Notes payable	5,665	5,728
Other term debt	14,036	14,017
Senior notes	153,631	120,000
	364,314	302,663
MORTGAGE BANKING:		
Accounts payable and other liabilities	14,557	8,925
Notes payable	174,583	108,393
	189,140	117,318
Total liabilities	553,454	419,981
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Common stock, $0.01 par value; 60,000,000 shares authorized; 20,073,423 and 19,995,494 shares issued as of June 30, 1998 and December 31, 1997, respectively	201	200
Paid-in-capital	160,882	164,731
Retained earnings	95,589	75,977
Less treasury stock at cost 8,761,127 and 8,900,972 shares at June 30, 1998 and December 31, 1997, respectively	(98,636)	(96,268)
Total shareholders' equity	158,036	144,640
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$711,490	$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 JUNE 30, 1998	THREE MONTHS ENDED JUNE 30, 1997	SIX MONTHS ENDED JUNE 30, 1998	SIX MONTHS ENDED JUNE 30, 1997
HOMEBUILDING:				
Revenues	$ 385,738	$ 281,437	$ 677,285	$ 520,424
Other income	1,010	258	1,165	767
Cost of sales	(325,846)	(242,809)	(573,802)	(450,278)
Selling, general and administrative	(29,284)	(17,222)	(49,249)	(33,316)
Amortization of reorganization value in excess of amounts allocable to identifiable assets and goodwill	(1,887)	(1,613)	(3,773)	(3,226)
Operating income	29,731	20,051	51,626	34,371
Interest expense	(5,486)	(4,264)	(9,639)	(8,321)
Homebuilding income	24,245	15,787	41,987	26,050
MORTGAGE BANKING:				
Mortgage banking fees	10,684	6,698	18,371	11,820
Interest income	2,300	1,280	4,155	2,363
Other income	122	108	344	161
General and administrative	(6,681)	(5,737)	(12,264)	(10,766)
Amortization of reorganization value in excess of amounts allocable to identifiable assets	(272)	(272)	(544)	(544)
Interest expense	(1,634)	(869)	(3,125)	(1,259)
Operating income	4,519	1,208	6,937	1,775
TOTAL SEGMENT INCOME	28,764	16,995	48,924	27,825
Income tax expense	(13,269)	(7,952)	(22,569)	(13,019)
INCOME BEFORE EXTRAORDINARY ITEM	15,495	9,043	26,355	14,806
Extraordinary loss from extinguishment of indebtedness (net of a $4,220 tax benefit for the three and six months ended June 30, 1998)	(6,743)	-	(6,743)	-
NET INCOME	$ 8,752	$ 9,043	$ 19,612	$ 14,806
BASIC EARNINGS PER SHARE:				
Income before extraordinary loss	$ 1.36	$ 0.77	$ 2.32	$ 1.21
Extraordinary loss	(0.59)	-	(0.59)	-
Basic earnings per share	$ 0.77	$ 0.77	$ 1.73	$ 1.21
DILUTED EARNINGS PER SHARE:				
Income before extraordinary loss	$ 1.15	$ 0.71	$ 1.96	$ 1.12
Extraordinary loss	(0.50)	-	(0.50)	-
Diluted earnings per share	$ 0.65	$ 0.71	$ 1.46	$ 1.12

See notes to consolidated financial statements.

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

	SIX MONTHS ENDED JUNE 30, 1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 19,612	$ 14,806
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	6,799	6,552
Pre-tax extraordinary loss-extinguishment of indebtedness	10,963	-
Mortgage loans closed	(1,237,123)	(646,951)
Proceeds from sales of mortgage loans	1,172,047	618,062
Gain on sale of mortgage servicing rights	(244)	(1,143)
Gain on sale of loans	(13,380)	(6,507)
Net change in assets and liabilities:		
Increase in inventories	(50,696)	(23,054)
Increase in receivables	(2,459)	(4,930)
Increase in accounts payable and accrued expenses	35,141	3,646
Other, net	(3,259)	(1,246)
Net cash used by operating activities	(62,599)	(40,765)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of mortgage-backed securities	474	14,419
Purchase of property, plant and equipment	(1,239)	(1,131)
Principal payments on mortgage-backed securities	2,981	1,896
Proceeds from sales of mortgage servicing rights	8,570	9,184
Other, net	(673)	307
Net cash provided by investing activities	10,113	24,675
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemption of mortgage bonds	(1,842)	(15,416)
Extinguishment of 11% Senior Notes	(120,235)	-
Deferred financing fees	(2,233)	-
Issuance of 8% Senior Notes	145,000	-
Net borrowings under notes payable	66,032	31,442
Purchases of treasury stock	(7,495)	(29,401)
Other, net	274	408
Net cash provided (used by) financing activities	79,501	(12,967)
Net increase (decrease) in cash	27,015	(29,057)
Cash, beginning of the period	45,725	74,780
Cash, end of period	$ 72,740	$ 45,723
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid during the period	$ 17,799	$ 10,113
Income taxes paid, net of refunds	$ 12,604	$ 9,799

See Notes to consolidated financial statements.

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

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. Because the accompanying condensed financial statements do not include all of the information and footnotes required by generally accepted accounting principles, they should be read in conjunction with the financial statements and notes thereto included in the Company's 1997 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 six-month period ended June 30, 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 three and six month periods ended June 30, 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.

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	-	-	19,612	-
Tax benefit from stock-based compensation activity	-	1,005	-	-
Option activity	1	273	-	-
Treasury stock purchases	-	-	-	(7,495)
Performance share activity	-	(5,127)	-	5,127
BALANCE, JUNE 30, 1998	$ 201	$160,882	$ 95,589	$(98,636)

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, 107,331 options were exercised during the first six months of 1998, with NVR realizing approximately $274 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 has and will 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 expired at 12:00 midnight, New York City time, on May 18, 1998. An aggregate principal amount of $111,369 was retired pursuant to the Tender Offer, which resulted in the extraordinary loss of $6,743 (net of a $4,220 tax benefit) included in the accompanying financial statements for the three and six months ended June 30, 1998. The amount of funds expended to complete the Tender offer totaled $125,893, including accrued interest. 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.

In June 1998, the Company, as borrower, entered into an unsecured working capital revolving credit facility (the "Facility") with a syndicate of financial institutions for a three-year term expiring on May 31, 2001. This Facility replaces the previous working capital credit facility under which NVR Homes, Inc., NVR's homebuilding subsidiary, was the borrower. The Facility provides for borrowings of up to $100 million of which $60 million is currently committed. Under terms of the Facility, an additional $10 million uncommitted overline is available to the Company on a limited basis. The Company intends to merge NVR, Inc., NVR Homes, Inc. and NVR Financial Services, Inc. on or before May 31, 1999 to simplify its corporate structure. If the merger is not complete by that time, the Facility will expire in November 1999.

On July 10, 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 $175,000, of which $150,000 is committed, and to ease certain restrictive covenants. 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)

	JUNE 30, 1998	DECEMBER 31, 1997
ASSETS	(unaudited)	
Cash and cash equivalents	$ 39,929	$ 41,673
Receivables	6,476	3,671
Inventory:		
Lots and housing units, covered under sales agreements with customers	230,142	165,132
Unsold lots and housing units	38,922	51,434
Manufacturing materials and other	5,673	7,475
	274,737	224,041
Property, plant and equipment, net	9,640	10,147
Reorganization value in excess of amounts allocable to identifiable assets, net	66,139	69,366
Goodwill, net	10,206	10,753
Contract land deposits	38,341	36,992
Other assets	21,601	19,869
TOTAL ASSETS	$467,069	$416,512
LIABILITIES AND SHAREHOLDER'S EQUITY		
Accounts payable	$ 75,715	$ 67,534
Accrued expenses and other liabilities	85,731	77,453
Advances from affiliates, net	126,928	102,461
Notes payable	5,592	5,650
Other term debt	5,532	5,627
TOTAL LIABILITIES	299,498	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	72,883	63,099
Total shareholder's equity	167,571	157,787
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$467,069	$416,512

See notes to consolidated financial statements.

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

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1998	1997	1998	1997
REVENUES:				
Revenues	$385,738	$281,437	$677,285	$520,424
Other income	460	248	615	757
Total Revenues	386,198	281,685	677,900	521,181
EXPENSES:				
Cost of sales	325,846	242,809	573,802	450,278
Interest expense-external	690	462	1,117	795
Interest expense-affiliates	3,669	3,669	7,338	7,338
Selling, general and administrative	47,607	22,619	72,856	42,976
Amortization of reorganization value in excess of amounts allocable to identifiable assets and goodwill	1,887	1,613	3,773	3,226
Total expenses	379,699	271,172	658,886	504,613
Income before income tax expense	6,499	10,513	19,014	16,568
Income tax expense	(3,125)	(5,249)	(9,230)	(8,272)
NET INCOME	$ 3,374	$ 5,264	$ 9,784	$ 8,296

See notes to the consolidated financial statements.

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

	SIX MONTHS ENDED JUNE 30, 1998	SIX MONTHS ENDED JUNE 30, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 9,784	$ 8,296
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	5,300	4,670
Net change in assets and liabilities		
Increase in inventories	(50,696)	(23,054)
Increase in receivables	(2,805)	(5,647)
(Decrease) increase in accounts payable and accrued liabilities	16,178	(7,578)
Other, net	(2,816)	(1,063)
Net cash used by operating activities	(25,055)	(24,376)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment	(1,003)	(1,010)
Proceeds from sale of property, plant & equipment	-	33
Net cash used by investing activities	(1,003)	(977)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (decrease) in advances from affiliates	24,467	(4,851)
Principal repayments of term debt	(95)	(114)
Net borrowings under credit lines and other notes payable	(58)	-
Net cash provided (used by) financing activities	24,314	(4,965)
Net decrease in cash	(1,744)	(30,318)
Cash, beginning of the period	41,673	71,471
Cash, end of period	$ 39,929	$ 41,153
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid during the period	$ 8,157	$ 8,077
Taxes paid during the period (net of refunds)	$ 13,267	$ 17,929

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 and the Company's 8% Senior Notes due 2005. 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 six-month period ended June 30, 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 three and six month periods ended June 30, 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 June 1998, NVR, as borrower, entered into an unsecured working capital revolving credit facility (the "Facility") with a syndicate of financial institutions for a three-year term expiring on May 31, 2001. This Facility replaces the previous working capital credit facility under which Homes was the borrower. The Facility provides for borrowings of up to $100 million of which $60 million is currently committed. Under terms of the Facility, an additional $10 million uncommitted overline is available to NVR on a limited basis. NVR intends to merge NVR, Inc., NVR Homes, Inc. and NVR Financial Services, Inc. on or before May 31, 1999 to simplify its corporate structure. If the merger is not complete by that time, the Facility will expire in November 1999.

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)

	JUNE 30, 1998 (unaudited)	DECEMBER 31, 1997
ASSETS		
MORTGAGE BANKING:		
Cash and cash equivalents	$ 12,096	$ 4,041
Receivables	4,504	3,308
Mortgage loans held for sale, net	181,740	115,744
Property and equipment, net	461	637
Real estate acquired through foreclosure	652	504
Mortgage servicing rights, net	3,234	2,220
Reorganization value in excess of amount allocable to identifiable assets, net	11,155	11,700
Other assets	946	559
	214,788	138,713
LIMITED-PURPOSE FINANCING SUBSIDIARIES:		
Mortgage-backed securities, net	17,226	20,010
Funds held by trustee	1,598	245
Receivables	619	799
Other assets	215	231
	19,658	21,285
TOTAL ASSETS	$234,446	$159,998
LIABILITIES AND SHAREHOLDER'S EQUITY		
MORTGAGE BANKING:		
Accounts payable	$ 11,345	$ 5,380
Accrued expenses and other liabilities	3,823	3,824
Due to affiliates	1,557	116
Notes payable	174,583	108,393
	191,308	117,713
LIMITED-PURPOSE FINANCING SUBSIDIARIES:		
Accrued expenses and other liabilities	869	681
Bonds payable, net	18,779	20,595
	19,648	21,276
TOTAL LIABILITIES	210,956	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	3,108	627
Total shareholder's equity	23,490	21,009
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$234,446	$159,998

See notes to consolidated financial statements.

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

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1998	1997	1998	1997
MORTGAGE BANKING:				
Interest income	$ 2,300	$1,280	$ 4,155	$ 2,363
Gain on sales of mortgage loans	7,679	3,415	13,380	6,507
Servicing fees	471	511	663	1,226
Gain on sale of servicing	244	1,143	244	1,143
Title fees	2,290	1,629	4,084	2,944
Other, net	124	107	348	157
Total revenues	13,108	8,085	22,874	14,340
Interest expense-external	1,634	869	3,125	1,259
Interest expense-affiliates	291	84	387	412
General and administrative	6,603	5,621	12,109	10,493
Amortization of mortgage servicing rights	78	116	155	273
Amortization of reorganization value in excess of amounts allocable to identifiable assets	272	272	544	544
Total expenses	8,878	6,962	16,320	12,981
Operating income	4,230	1,123	6,554	1,359
LIMITED-PURPOSE FINANCING SUBSIDIARIES:				
Interest income	370	574	779	1,170
Interest expense	(366)	(625)	(765)	(1,170)
Other, net	(6)	52	(18)	4
Operating income	(2)	1	(4)	4
TOTAL OPERATING INCOME	4,228	1,124	6,550	1,363
Income tax expense	(1,981)	(618)	(3,069)	(752)
NET INCOME	$ 2,247	$ 506	$ 3,481	$ 611

See notes to consolidated financial statements.

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

	SIX MONTHS ENDED JUNE 30, 1998	SIX MONTHS ENDED JUNE 30, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 3,481	$ 611
Adjustments to reconcile net income to net cash used in operating activities:		
Accretion of net discount on mortgage-backed securities	(32)	(70)
Amortization	748	1,015
Gain on sales of loans	(13,380)	(6,507)
Mortgage loans closed	(1,237,123)	(646,951)
Proceeds from sales of mortgage loans	1,172,047	618,062
Gain on sales of mortgage servicing rights	(244)	(1,143)
Other, net	6,630	1,243
Net cash used in operating activities	(67,873)	(33,740)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in funds held by trustee	(1,353)	(347)
Principal payments on mortgage-backed securities	2,981	1,896
Proceeds from sales of mortgage-backed securities	474	14,419
Purchases of office facilities and equipment	(213)	(50)
Proceeds from sales of mortgage servicing rights	8,570	9,184
Other, net	680	621
Net cash provided by investing activities	11,139	25,723
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in notes payable	66,190	31,560
Redemption of bonds	(1,842)	(15,416)
Return of capital/dividend to parent	(1,000)	(7,029)
Change in due to affiliates	1,441	204
Net cash provided by financing activities	64,789	9,319
Net increase in cash	8,055	1,302
Cash, beginning of period	4,041	3,247
Cash, end of period	$ 12,096	$ 4,549
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid during the period	$ 3,947	$ 2,628
Taxes paid during the period, net of refunds	$ 2,550	$ 1,189

See notes to consolidated financial statements.

NVR FINANCIAL SERVICES, INC.
Notes to Consolidated Financial Statements
(dollars in thousands)

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 (the "Senior Notes"). 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 six-month period ended June 30, 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 three and six month periods ended June 30, 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.

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	-	-	3,481	3,481
BALANCE, JUNE 30, 1998	$ -	$ 20,382	$ 3,108	$ 23,490

4. DEBT

On July 10, 1998, NVR Mortgage Finance, Inc., a subsidiary of NVRFS, amended its mortgage warehouse facility to increase the available borrowing limit to $175,000, of which $150,000 is committed, and to ease certain restrictive covenants. 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)

	JUNE 30, 1998 (unaudited)	DECEMBER 31, 1997
ASSETS		
Cash and cash equivalents	$ 14	$ 11
Royalty receivable	2,688	1,880
TOTAL ASSETS	$2,702	$ 1,891
LIABILITIES AND SHAREHOLDER'S EQUITY		
Accounts payable and accrued expenses	$ 927	$ 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	1,710	1,183
Total shareholder's equity	1,775	1,248
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$ 2,702	$ 1,891

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

	THREE MONTHS ENDED JUNE 30, 1998	THREE MONTHS ENDED JUNE 30, 1997	SIX MONTHS ENDED JUNE 30, 1998	SIX MONTHS ENDED JUNE 30, 1997
REVENUES:				
Royalty revenue	$ 7,078	$ 5,362	$ 12,407	$ 9,910
Other income	-	1	1	4
Total revenues	7,078	5,363	12,408	9,914
EXPENSES:				
General and administrative	4	6	11	20
Income before income tax	7,074	5,357	12,397	9,894
Income tax expense	(2,500)	(1,868)	(4,385)	(3,456)
NET INCOME	$ 4,574	$ 3,489	$ 8,012	$ 6,438

See notes to financial statements.

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

	SIX MONTHS ENDED JUNE 30, 1998	SIX MONTHS ENDED JUNE 30, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 8,012	$ 6,438
Adjustments to reconcile net income to net cash provided by operating activities:		
Increase in royalty receivables	(808)	(753)
Increase in accounts payable and accrued liabilities	284	231
Net cash provided by operating activities	7,488	5,916
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividend to parent	(7,485)	(5,957)
Net cash used by financing activities	(7,485)	(5,957)
Net increase (decrease) in cash	3	(41)
Cash, beginning of period	11	62
Cash, end of period	$ 14	$ 21
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid during the period	$ -	$ -
Taxes paid during the period, net of refunds	$ 4,033	$ 3,200

See notes to financial statements.

RVN, INC.
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 "Senior Notes"). 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 six-month period ended June 30, 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 three and six month period ended June 30, 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	-	-	8,012
Dividend to parent	-	-	(7,485)
BALANCE, JUNE 30, 1998	$ 1	$ 64	$ 1,710

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

	JUNE 30, 1998 (UNAUDITED)	DECEMBER 31, 1997
ASSETS		
Cash and cash equivalents	$ -	$ -
Accounts receivable	38	192
Inventory, net	24,262	19,879
Investment in FRP, LP	81	179
Property and equipment, net	286	228
Goodwill, net	10,206	10,753
Other	177	122
TOTAL ASSETS	$35,050	$31,353
LIABILITIES AND SHAREHOLDER'S EQUITY		
Notes payable - lot acquisitions	$ 900	$ 900
Notes payable - acquisition note	4,692	4,750
Accounts payable	3,183	2,281
Due to affiliate	9,220	8,012
Accrued expenses	1,485	637
Deferred taxes	281	281
TOTAL LIABILITIES	19,761	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	1,039	242
Total shareholder's equity	15,289	14,492
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$35,050	$31,353

See notes to financial statements.

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

	SUCCESSOR	PREDECESSOR*	SUCCESSOR	PREDECESSOR*
	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1998	1997	1998	1997
REVENUES:				
Revenues	$13,912	$8,752	$25,370	$19,983
Other income	23	21	25	36
Total Revenues	13,935	8,773	25,395	20,019
EXPENSES:				
Cost of sales	11,718	7,461	21,292	16,824
Interest expense	278	279	544	445
Selling, general and administrative	910	821	1,688	1,570
Amortization of goodwill	274	-	547	-
Total expenses	13,180	8,561	24,071	18,839
Income before income tax expense	755	212	1,324	1,180
Income tax expense	(299)	(12)	(527)	(63)
NET INCOME	$ 456	$ 200	$ 797	$ 1,117

* 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.
Statements of Cash Flows
(dollars in thousands)
(unaudited)

	(SUCCESSOR) SIX MONTHS ENDED JUNE 30, 1998	(PREDECESSOR)* SIX MONTHS ENDED JUNE 30, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 797	$ 1,117
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	605	62
Equity earnings in FRP, LP	(35)	(49)
Net change in assets and liabilities:		
Increase in inventories	(4,383)	(3,649)
Decrease (increase) in receivables	154	(1,032)
(Decrease) increase in accounts payable and accrued liabilities	1,750	(1,075)
Other, net	(55)	4
Net cash used by operating activities	(1,167)	(4,622)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant & equipment	(116)	(82)
Dividends from FRP, LP	133	95
Net cash provided by investing activities	17	13
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of dividends	-	(1,793)
Increase in advances from affiliates	1,208	-
Net borrowings (repayments) under notes payable	(58)	6,252
Net cash provided by financing activities	1,150	4,459
Net decrease in cash	-	(150)
Cash, beginning of the period	-	660
Cash, end of period	$ -	$ 510
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid during the period	$ 356	$ 212
Taxes paid during the period (net of refunds)	$ (45)	$ 78

* 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 three and six months ending June 30, 1998, and include the accounts of the Predecessor for the three and six months ending June 30, 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 six-month period ended June 30, 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 three and six months ended June 30, 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 amounts)

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 AND SIX MONTHS ENDED JUNE 30, 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 JUNE 30, 1998 AND 1997

During the second quarter of 1998, homebuilding operations generated revenues of $385,738 compared to revenues of $281,437 in the second quarter of 1997. The change in revenues is primarily due to a 34% increase in the number of homes settled from 1,494 in 1997 to 1,995 in 1998 and to a 3% increase in the average settlement price from $187.0 in 1997 to $192.2 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 2,533 during the second quarter of 1998 were 24% higher than the 2,041 new orders generated during the prior 1997 period. The increase in new orders was the result of continuing 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 second quarter of 1998 increased to 15.5% compared to 13.7% for the second quarter of 1997. The increase in gross margins was due to the continuing favorable market conditions, the Company's continued focus on controlling construction costs and improved margins in the Company's expansion markets.

SG&A expenses for the second quarter of 1998 increased $12,062 as compared to the same 1997 period, and as a percentage of revenues increased from 6.1% to 7.6%. The increase is due primarily to a net period to period increase of approximately $8,400 for certain management incentive plans, of which approximately $4,300 is a non-cash charge related to a variable stock plan adopted by the Board of Directors pursuant to the Company's 1993 Plan of Reorganization. A portion of the increase is also due to the aforementioned increase in revenues, and to increased costs incurred in the Company's expansion markets.

Backlog units and dollars were 4,452 and $910,568, respectively, at June 30, 1998 compared to 3,143 and $601,276, respectively, at June 30, 1997. The increase in backlog units and dollars is primarily due to the 38% increase in new orders for the six months ended June 30, 1998, compared to the six months ended June 30, 1997.

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 EBITDA:

	THREE MONTHS ENDED JUNE 30,	
	1998	1997
Operating income	$29,731	$20,051
Depreciation	890	861
Amortization of excess reorganization Value and goodwill	1,887	1,613
Other non-cash expenses	4,300	-
HOMEBUILDING EBITDA	$36,808	$22,525
% OF HOMEBUILDING REVENUES	9.5%	8.0%

Homebuilding EBITDA in the second quarter of 1998 was $14,283 or 63% higher than in the second quarter of 1997, and as a percentage of revenue increased from 8.0% to 9.4%.

MORTGAGE BANKING SEGMENT

THREE MONTHS ENDED JUNE 30, 1998 AND 1997

The mortgage banking segment generated operating income of $4,519 for the three months ended June 30, 1998 compared to operating income of $1,208 during the same period in 1997. Loan closings were $658,789 and $349,253 during the respective quarters ended June 30, 1998 and 1997, representing an increase of 89%.

Mortgage banking fees had a net increase of $3,986, representing a 60% increase when comparing the respective quarters of June 30, 1998 and 1997. This increase can be attributed to the higher gain on sale of loans resulting from the higher volume of loan closings, partially offset by the lower gain on sale of mortgage servicing rights. The 1997 period was favorably impacted by a one-time gain from the sale of the Company's core mortgage servicing portfolio. A summary of mortgage banking fees is noted below:

MORTGAGE BANKING FEES:

	1998	1997
Net gain on sale of loans	$ 7,679	$3,415
Servicing	471	511
Title services	2,290	1,629
Gain on sale of servicing rights	244	1,143
	$10,684	$6,698

HOMEBUILDING SEGMENT

SIX MONTHS ENDED JUNE 30, 1998 AND 1997

During the first six months of 1998, homebuilding operations generated revenues of $677,285 compared to revenues of $520,424 in the first six months of 1997. The increase in revenues was primarily due to a 26% increase in the number of homes settled from 2,809 in 1997 to 3,538 in 1998, and to a 3% increase in the average settlement price from $184.3 in 1997 to $190.5 in 1998. New orders increased by 38% to 4,795 for the six months ended June 30, 1998 compared with 3,486 for the six months ended June 30, 1997. The increase in new orders was the result of continuing favorable market conditions in most of the markets in which the Company operates as compared to the prior year period, 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 for the first six months of 1998 increased to 15.3% compared to 13.5% for the six months ended June 30, 1997. The increase in gross margins was due to the 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 during the first quarter of 1998, and improved margins in the Company's expansion markets.

SG&A expenses for 1998 increased $15,933 as compared to the same 1997 period, and as a percentage of revenues increased from 6.4% to 7.3%. The increase is due primarily to a net period to period increase of approximately $8,400 for certain management incentive plans, of which approximately $4,300 is a non-cash charge related to a variable stock plan adopted by the Board of Directors pursuant to the Company's 1993 Plan of Reorganization. A portion of the increase is also due to the aforementioned increase in revenues, and to increased costs incurred in the Company's expansion markets.

The Company's executive officers and certain other key management personnel participate in the 1994 Management Incentive Plan (the "Plan"), a variable stock award plan adopted by the Board of Directors pursuant to the Company's 1993 Plan of Reorganization. Approximately one-third of the 1,095,200 total shares granted under the Plan are eligible to vest on December 31, 1998 if certain full year earnings targets are met or exceeded.

Because the Plan qualifies as a variable plan pursuant to APB Opinion No. 25, Accounting for Stock Issued to Employees, the current year expense, if earned, will be based on the closing price of NVR common stock as quoted on the American Stock Exchange on December 31, 1998. Because of the significant appreciation in the market price of NVR's common stock during the first-half of 1998, the non-cash expense, if fully earned, associated with this Plan in the second half of 1998 could be significantly greater than the amounts expensed under the plan in the second half of 1997. As of June 30, 1998 the Company has accrued approximately $4,300 associated with the Plan.

CALCULATION OF HOMEBUILDING EBITDA:

	SIX MONTHS ENDED JUNE 30,	
	1998	1997
Operating income	$51,626	$34,371
Depreciation	1,826	1,691
Amortization of excess reorganization Value and goodwill	3,773	3,226
Other non-cash expenses	4,300	-
HOMEBUILDING EBITDA	$61,525	$39,288
% OF HOMEBUILDING REVENUES	9.1%	7.5%

Homebuilding EBITDA for the first six months of 1998 was $22,237 or 57% higher than the first six months of 1997, and as a percentage of revenues increased from 7.5% to 9.1%.

MORTGAGE BANKING SEGMENT

SIX MONTHS ENDED JUNE 30, 1998 AND 1997

The mortgage banking segment generated operating income of $6,937 for the six months ended June 30, 1998 compared to operating income of $1,775 during the same period in 1997. Loan closings were $1,237,123 and $646,951 during the respective first halves of 1998 and 1997, representing an increase of 91%.

Mortgage banking fees had a net increase of $6,551, representing a 55% increase when comparing the respective first halves of 1998 and 1997. This increase can be attributed to the higher gain on sale of loans resulting from the higher volume of loan closings, partially offset by the lower servicing fee income resulting from the decrease in the servicing portfolio and the lower gain on sale of mortgage servicing rights. The 1997 period was favorably impacted by a one-time gain from the sale of the Company's core mortgage servicing portfolio. A summary of mortgage banking fees is noted below:

MORTGAGE BANKING FEES:	1998	1997
Net gain on sale of loans	$13,380	$ 6,507
Servicing	663	1,226
Title services	4,084	2,944
Gain on sale of servicing rights	244	1,143
	$18,371	$11,820

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 completed its initial review to assess the Company's exposure to Year 2000 Issues, and has developed a detailed plan to remediate areas of exposure. Implementation of the remediation plan has commenced, and the Company expects that remediation will be completed prior to January 1, 2000. 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 has and will 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 expired at 12:00 midnight, New York City time, on May 18, 1998. An aggregate principal amount of $111,369 was retired pursuant to the Tender Offer, which resulted in the extraordinary loss of $6,743 (net of a $4,220 tax benefit) included in the accompanying financial statements for the three and six months ended June 30, 1998. The amount of funds expended to complete the Tender Offer totaled $125,893, including accrued interest. 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's homebuilding segment generally provides for its working capital cash requirements using cash generated from operations and a short-term credit facility. In June 1998, the Company, as borrower, entered into an unsecured working capital revolving credit facility (the "Facility") with a syndicate of financial institutions for a three-year term expiring on May 31, 2001. This Facility replaces the previous working capital credit facility under which NVR Homes, Inc., NVR's homebuilding subsidiary, was the borrower. The Facility provides for borrowings of up to $100 million of which $60 million is currently committed. Under terms of the Facility, an additional $10 million uncommitted overline is available to the Company on a limited basis. The Company intends to merge NVR, Inc., NVR Homes, Inc. and NVR Financial Services, Inc. on or before May 31, 1999 to simplify its corporate structure. If the merger is not complete by that time, the Facility will expire in November 1999.

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. On July 10, 1998, NVR Mortgage Finance, Inc., a subsidiary of NVR Financial Services, Inc., amended its mortgage warehouse facility to increase the available borrowing limit to $175,000, of which $150,000 is committed, and to ease certain restrictive covenants. 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.

OTHER ELEMENTS IMPACTING LIQUIDITY

During the six months ended June 30, 1998, the Company repurchased approximately 225,000 shares of its common stock at an aggregate purchase price of $7,495. 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.

NVR HOMES, INC. CONSOLIDATED

RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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.

THREE MONTHS ENDED JUNE 30, 1998 AND 1997

During the second quarter of 1998, Homes generated revenues of $385,738 compared to revenues of $281,437 in the second quarter of 1997. The change in revenues is primarily due to a 34% increase in the number of homes settled from 1,494 in 1997 to 1,995 in 1998 and to a 3% increase in the average settlement price from $187.0 in 1997 to $192.2 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 2,533 during the second quarter of 1998 were 24% higher than the 2,041 new orders generated during the prior 1997 period. The increase in new orders was the result of continuing 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 second quarter of 1998 increased to 15.5% compared to 13.7% for the second quarter of 1997. The increase in gross margins was due to the continuing favorable market conditions, the Company's continued focus on controlling construction costs and improved margins in the Company's expansion markets.

SG&A expenses for the second quarter of 1998 increased $24,988 as compared to the same 1997 period, and as a percentage of revenues increased from 8.0% to 12.3%. The increase in SG&A dollars is due primarily to the increase in revenues noted above, a net period to period increase in costs associated with certain management incentive plans, higher corporate general and administrative expenses and increased costs associated with the Company's expansion markets. In addition, royalty fees paid to RVN, Inc., a subsidiary of NVR, increased approximately $2.0 million in the current year quarter as compared to the prior year quarter.

Backlog units and dollars were 4,452 and $910,568, respectively, at June 30, 1998 compared to 3,143 and $601,276, respectively, at June 30, 1997. The increase in backlog units and dollars is primarily due to the 38% increase in new orders for the six months ended June 30, 1998, compared to the six months ended June 30, 1997.

SIX MONTHS ENDED JUNE 30, 1998 AND 1997

During the first six months of 1998, Homes generated revenues of $677,285 compared to revenues of $520,424 in the first six months of 1997. The increase in revenues was primarily due to a 26% increase in the number of homes settled from 2,809 in 1997 to 3,538 in 1998, and to a 3% increase in the average settlement price from $184.3 in 1997 to $190.5 in 1998. New orders increased by 38% to 4,795 for the six months ended June 30, 1998 compared with 3,486 for the six months ended June 30, 1997. The increase in new orders was the result of continuing favorable market conditions in most of the markets in which the Company operates as compared to the prior year period, 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 for the first six months of 1998 increased to 15.3% compared to 13.5% for the six months ended June 30, 1997. The increase in gross margins was due to the 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 during the first quarter of 1998, and improved margins in the Company's expansion markets.

SG&A expenses for 1998 increased $29,880 as compared to the same 1997 period, and as a percentage of revenues increased from 8.3% to 10.8%. The increase in SG&A dollars is due primarily to the increase in revenues noted above, a net period to period increase in costs associated with certain management incentive plans, higher corporate general and administrative expenses and increased costs associated with the Company's expansion markets. In addition, royalty fees paid to RVN, Inc., a subsidiary of NVR, increased approximately $2.5 million in the current year period as compared to the prior year 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 available to NVR. In June 1998, NVR, as borrower, entered into an unsecured working capital revolving credit facility (the "Facility") with a syndicate of financial institutions for a three-year term expiring on May 31, 2001. This Facility replaces the previous working capital credit facility under which Homes was the borrower. The Facility provides for borrowings of up to $100 million of which $60 million is currently committed. Under terms of the Facility, an additional $10 million uncommitted overline is available to NVR on a limited basis. NVR intends to merge NVR, Inc., NVR Homes, Inc. and NVR Financial Services, Inc. on or before May 31, 1999 to simplify its corporate structure. If the merger is not complete by that time, the Facility will expire in November 1999. Homes 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 AND SIX MONTHS ENDED JUNE 30, 1998 AND 1997

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

THREE MONTHS ENDED JUNE 30, 1998 AND 1997

NVRFS generated operating income of $4,228 for the three months ended June 30, 1998 compared to operating income of $1,124 during the same period in 1997. Loan closings were $658,789 and $349,253 during the respective quarters ended June 30, 1998 and 1997, representing an increase of 89%.

Mortgage banking fees had a net increase of $3,986, representing a 60% increase when comparing the respective quarters of June 30, 1998 and 1997. This increase can be attributed to the higher gain on sale of loans resulting from the higher volume of loan closings, partially offset by the lower gain on sale of mortgage servicing rights. The 1997 period was favorably impacted by a one-time gain from the sale of the Company's core mortgage servicing portfolio. Increases in the current period for both interest expense and general and administrative costs are also attributable to the higher loan closing volume experienced in the current quarter as compared to the prior year quarter.

A summary of mortgage banking fees is noted below:

MORTGAGE BANKING FEES:	1998	1997
Net gain on sale of loans	$ 7,679	$3,415
Servicing	471	511
Title services	2,290	1,629
Gain on sale of servicing rights	244	1,143
	$10,684	$6,698

SIX MONTHS ENDED JUNE 30, 1998 AND 1997

NVRFS generated operating income of $6,550 for the six months ended June 30, 1998 compared to operating income of $1,363 during the same period in 1997. Loan closings were $1,237,123 and $646,951 during the respective first halves of 1998 and 1997, representing an increase of 91%.

Mortgage banking fees had a net increase of $6,551 representing a 55% increase when comparing the respective first halves of 1998 and 1997. This increase can be attributed to the higher gain on sale of loans resulting from the higher volume of loan closings, partially offset by the lower servicing fee income resulting from the decrease in the servicing portfolio and the lower gain on sale of mortgage servicing rights. The 1997 period was favorably impacted by a one-time gain from the sale of the Company's core mortgage servicing portfolio. Increases in the current period for both interest expense and general and administrative costs are also attributable to the higher loan closing volume experienced in the current quarter as compared to the prior year quarter.

A summary of mortgage banking fees is noted below:

MORTGAGE BANKING FEES:	1998	1997
Net gain on sale of loans	$13,380	$ 6,507
Servicing	663	1,226
Title services	4,084	2,944
Gain on sale of servicing rights	244	1,143
	$18,371	$11,820

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. On July 10, 1998, NVR Mortgage Finance, Inc., a subsidiary of NVRFS, amended its mortgage warehouse facility to increase the available borrowing limit to $175,000, of which $150,000 is committed, and to ease certain restrictive covenants. 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 AND SIX MONTHS ENDED JUNE 30, 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 three and six month periods as compared to the prior year three and six months periods resulted 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 June 30, 1998, cash generated from operations is primarily distributed to NVR. Insofar as Homes' ability to make royalty payments is not impaired, the Company 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 AND SIX MONTHS ENDED JUNE 30, 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 analysis below of the results of operations is a comparison of the Predecessor's results for the three and six months ended June 30, 1997 and the Successor's results for the three and six months ended June 30, 1998.

THREE MONTHS ENDED JUNE 30, 1998 AND 1997

Income before income tax expense increased $543 to $755 in the second quarter of 1998 from $212 in the second quarter of 1997. The increase is a direct result of a higher number of settlements in the current quarter as compared to the prior year quarter, coupled with improved gross margins, and offset by goodwill amortization which resulted from the Purchase Transaction. Fox Ridge settled 89 units during the second quarter of 1998 compared with 62 units settled in the second quarter of 1997.

New orders increased by 34% from 82 units in the quarter ended June 30, 1997 to 110 units in the quarter ended June 30, 1998. SG&A dollars have increased slightly due to the higher sales volume.

Backlog units and dollars were 240 and $35,951, respectively, at June 30, 1998 compared to 165 and $22,735, respectively, at June 30, 1997. The increase in backlog units and dollars is primarily attributable to a 42% increase in new orders for the six month period ended June 30, 1998 compared to the same 1997 period.

SIX MONTHS ENDED JUNE 30, 1998 AND 1997

Income before income tax expense increased $144 to $1,324 for the first six months of 1998 from $1,180 for the first six months of 1997. The increase is a direct result of a higher number of settlements in the current year period as compared to the prior year period, offset by goodwill amortization, which resulted from the Purchase Transaction. In addition, SG&A dollars have increased slightly due to the higher sales volume. Fox Ridge settled 168 units during the first six months of 1998 compared with 143 units settled in the first six months of 1997. New orders increased by 42% from 192 units in the six months ended June 30, 1997 to 273 units in the six months ended June 30, 1998.

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 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

NVR held its Annual Meeting of Shareholders on May 5, 1998. Two matters were voted upon at the Annual Meeting:

MATTER	VOTES FOR	WITHHELD AUTHORITY TO VOTE
1. Election of three directors to serve three year terms:		
Manuel H. Johnson	10,518,641	12,970
David A. Preiser	10,520,319	11,292
John M. Toups	10,517,090	14,521

	VOTES FOR	VOTES AGAINST	ABSTENTIONS	NOT VOTED
2. Ratification of appointment of KPMG Peat Marwick LLP as independent auditors for NVR	10,468,428	16,517	46,666	983,951

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. 11. Computation of Earnings per Share.

b. 27. Financial Data Schedules.

c. The Company filed the following reports on Form 8-K during the quarter ended June 30, 1998:

1. April 6, 1998: Under Item #5, Other Events, the Company filed a press release disclosing the number of homes both sold and settled during the quarter ending March 31, 1998.

2. April 14, 1998: Under Item #5, Other Events, the Company disclosed the agreement to sell $145,000,000 aggregate principal amount of its 8% Senior Notes ("Notes") due 2005. The Form 8-K included the following exhibits: (a) Underwriting Agreement dated April 8, 1998, between the Company and Salomon Smith Barney, Credit Suisse First Boston and Friedman, Billings, Ramsey & Co., Inc.; (b) Form T-1 (Statement of Eligibility of Trustee); and (c) the Final Prospectus Supplement, dated April 8, 1998 as filed with the Securities and Exchange Commission pursuant to Rule 424(b) (5) under the Securities Act of 1933, as amended, including the related prospectus dated April 6, 1998.

3. April 23, 1998: Under Item #5, Other Events, the Company disclosed the sale of $145,000,000 aggregate principal amount of its 8% Senior Notes ("Notes") due 2005. The Form 8-K included the following exhibits: (a) Indenture, dated as of April 14, 1998, between the Company, the Guarantor and the Trustee; (b) First Supplemental Indenture between the Company, the Guarantor and the Trustee; (c) Form of Note; and (d) Opinion of Hogan & Hartson, L.L.P. regarding the validity of the Notes.

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.

July 29, 1998 NVR, Inc.

By: /s/ Paul C. Saville

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

EXHIBIT 11

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

		THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
		1998	1997	1998	1997
1.	Net income	$ 8,752	$ 9,043	$ 19,612	$ 14,806
2.	Average number of shares outstanding	11,356	11,796	11,376	12,239
3.	Shares issuable upon exercise of dilutive options, warrants and subscriptions outstanding during period, based on average market price	2,065	933	2,055	949
4.	Average number of shares and share equivalents outstanding (2 + 3)	13,421	12,729	13,431	13,188
5.	Basic earnings per share (1/2)	$ 0.77	$ 0.77	$ 1.73	$ 1.21
6.	Diluted earnings per share (1/4)	$ 0.65	$ 0.71	$ 1.46	$ 1.12

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM NVR INC.'S CONSOLIDATED FINANCIAL STATEMENTS INCLUDED IN FORM 10-Q FOR THE SIX MONTHS ENDED JUNE 30, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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

6-MOS
DEC-31-1998
JAN-01-1998
JUN-30-1998
1
72,740
0
5,965
0
274,737
0
16,890
0
711,490
0
153,631
0
0
161,083
(3,047)
711,490
677,285
701,320
573,802
635,315
4,317
0
12,764
48,924
22,569
26,355
0
6,743
0
19,612
1.73
1.46

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

5
0000906163
NVR,INC.
1,000
U.S. DOLLARS

6-MOS
DEC-31-1997
JAN-01-1997
JUN-30-1997
1
41,174
0
8,470
0
194,747
0
17,897
0
522,685
0
120,000
0
0
156,043
(18,220)
522,685
520,424
535,535
450,278
44,082
3,770
0
9,580
27,825
13,019
14,806
0
0
0
14,806
1.21
1.12

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