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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 8-K**

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

Date of Report (Date of earliest event reported): **October 19, 2007**

**NVR, Inc.**

(Exact name of registrant as specified in its charter)

**Virginia**

(State or other jurisdiction of  
incorporation or organization)

**1-12378**

(Commission File  
Number)

**54-1394360**

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

**11700 Plaza America Drive, Suite 500, Reston, Virginia**

(Address of principal executive offices)

**20190**

(Zip Code)

Registrant's telephone number, including area code: **703-956-4000**

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

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.133-4(c))
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**Item 2.02 Results of Operations and Financial Condition**

On October 19, 2007, NVR, Inc. issued a press release reporting its financial results for the quarter and year to date periods ended September 30, 2007. A copy of this press release is furnished hereto as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits**

(c) Exhibits

| <u>Number</u> | <u>Description</u>                    |
|---------------|---------------------------------------|
| 99.1          | Press release dated October 19, 2007. |

## SIGNATURES

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

**NVR, Inc.**

Date: October 19, 2007

By: /s/ Dennis M. Seremet

Name: Dennis M. Seremet

Title: Vice President and Chief Financial Officer

3

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## INDEX TO EXHIBITS

| <u>Exhibit<br/>Number</u> | <u>Exhibit Description</u>            |
|---------------------------|---------------------------------------|
| 99.1                      | Press release dated October 19, 2007. |

**NVR, INC. ANNOUNCES THIRD QUARTER RESULTS****FOR IMMEDIATE RELEASE**

Contact: Dan Malzahn  
Office: (703) 956-4204

**RESTON, Va., Oct. 19 /PRNewswire-FirstCall/ -- NVR, Inc. (Amex: NVR)**, one of the nation's largest homebuilding and mortgage banking companies, announced that diluted earnings per share for its third quarter ended September 30, 2007 decreased 22% and net income decreased 30% when compared to the 2006 third quarter. Net income for the 2007 third quarter was \$91,113,000, \$15.26 per diluted share, compared to net income of \$129,333,000, \$19.63 per diluted share, for the same period of 2006. The third quarter results were negatively impacted by land deposit impairments of approximately \$96,500,000. These impairments lowered gross margins by 760 basis points and reduced diluted EPS by \$9.88. Consolidated revenues for the third quarter of 2007 totaled \$1,292,088,000, a 17% decrease from \$1,553,411,000 for the comparable 2006 quarter. Due to the continued earnings decline resulting from the deterioration in market conditions and our expectation that market conditions will not improve in the near term, the Company determined that it is improbable that it will achieve the performance metric related to approximately 411,000 outstanding stock options. This determination resulted in the reversal of approximately \$31,500,000 (\$3.05 per diluted share) of pre-tax stock-based compensation costs recognized prior to the 2007 third quarter.

For the nine months ended September 30, 2007, consolidated revenues were \$3,701,945,000, 18% lower than the \$4,506,994,000 reported for the same period of 2006. Net income for the nine months ended September 30, 2007 was \$266,681,000, a decrease of 41% when compared to the nine months ended September 30, 2006. Earnings per diluted share for the nine months ended September 30, 2007 was \$42.25, a decrease of 37% from \$67.23 per diluted share for the comparable period of 2006.

**Homebuilding**

New orders in the third quarter of 2007 increased 12% to 2,660 units, when compared to 2,378 units in the third quarter of 2006. The Company attributed this year over year new order growth, in part, to a weak 2006 third quarter. New order activity slowed significantly in August and September due to tightening in the credit markets. The average new order price in the third quarter of 2007 decreased 9% to \$330,100 when compared to \$362,500 in the third quarter of 2006. The cancellation rate in the quarter ended September 30, 2007 was 27% compared to 27% in the third quarter of 2006 and 16% in the second quarter of 2007. The Washington, D.C. cancellation rate in the quarter was 44% compared to 39% in the third quarter of 2006 and 21% in the second quarter of 2007.

Settlements decreased in the third quarter of 2007 to 3,476 units, 10% less than the same period of 2006. Homebuilding revenues for the three months ended September 30, 2007 totaled \$1,270,471,000, 17% lower than the year earlier period. Income before tax from the homebuilding segment totaled \$129,000,000 in the 2007 third quarter, a decrease of 34% when compared to the third quarter of the previous year. Gross profit margins decreased to 14.4% in the 2007 third quarter compared to 19.0% for the same period in 2006. The decline in gross profit margins is due to the previously mentioned land deposit impairments and continued pricing pressures. The Company's backlog of homes sold but not settled at the end of the 2007 quarter decreased on a unit basis by 4% to 7,071 units and 14% on a dollar basis to \$2,695,591,000 when compared to the same period last year.

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### **Mortgage Banking**

Mortgage closed loan production of \$793,749,000 for the three months ended September 30, 2007 was 20% lower than the same period last year. Operating income for the mortgage banking operations during the third quarter of 2007 decreased 3% to \$16,814,000, when compared to \$17,291,000 reported for the same period of 2006.

Some of the statements in this release made by the Company 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 those of historical facts included herein, including those regarding market trends, NVR's financial position, business strategy, the outcome of pending litigation, 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 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 by NVR and NVR's customers, 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. The Company has no obligation to update such forward-looking statements.

**NVR, Inc.**  
Consolidated Statements of Income  
(in thousands, except per share data)  
(Unaudited)

|   | <b>Three Months Ended September 30,</b> |                   | <b>Nine Months Ended September 30,</b> |                   |
|---|---|-------------------|--|-------------------|
|   | <b>2007</b>                             | <b>2006</b>       | <b>2007</b>                            | <b>2006</b>       |
| <b>Homebuilding:</b>                      |   |                   |  |                   |
| Revenues                                  | \$ 1,270,471                            | \$ 1,528,964      | \$ 3,642,721                           | \$ 4,435,503      |
| Other income                              | 4,209                                   | 3,238             | 16,425                                 | 8,248             |
| Cost of sales                             | (1,087,399)                             | (1,238,671)       | (3,002,746)                            | (3,403,893)       |
| Selling, general and administrative       | (54,906)                                | (95,574)          | (253,510)                              | (329,131)         |
| Operating income                          | 132,375                                 | 197,957           | 402,890                                | 710,727           |
| Interest expense                          | (3,375)                                 | (3,141)           | (9,995)                                | (14,773)          |
| Homebuilding income                       | 129,000                                 | 194,816           | 392,895                                | 695,954           |
| <b>Mortgage Banking:</b>                  |   |                   |  |                   |
| Mortgage banking fees                     | 21,617                                  | 24,447            | 59,224                                 | 71,491            |
| Interest income                           | 1,078                                   | 1,986             | 3,415                                  | 5,236             |
| Other income                              | 320                                     | 403               | 780                                    | 1,017             |
| General and administrative                | (6,001)                                 | (8,847)           | (24,278)                               | (27,867)          |
| Interest expense                          | (200)                                   | (698)             | (513)                                  | (2,619)           |
| Mortgage banking income                   | 16,814                                  | 17,291            | 38,628                                 | 47,258            |
| <b>Income before taxes</b>                | <b>145,814</b>                          | <b>212,107</b>    | <b>431,523</b>                         | <b>743,212</b>    |
| Income tax expense                        | (54,701)                                | (82,774)          | (164,842)                              | (290,967)         |
| <b>Net income</b>                         | <b>\$ 91,113</b>                        | <b>\$ 129,333</b> | <b>\$ 266,681</b>                      | <b>\$ 452,245</b> |
| <b>Basic earnings per share</b>           |   |                   |  |                   |
|   | \$ 17.25                                | \$ 22.59          | \$ 48.35                               | \$ 79.60          |
| <b>Diluted earnings per share</b>         |   |                   |  |                   |
|   | \$ 15.26                                | \$ 19.63          | \$ 42.25                               | \$ 67.23          |
| <b>Basic average shares outstanding</b>   |   |                   |  |                   |
|   | 5,283                                   | 5,725             | 5,516                                  | 5,682             |
| <b>Diluted average shares outstanding</b> |   |                   |  |                   |
|   | 5,969                                   | 6,588             | 6,312                                  | 6,727             |

**NVR, Inc.**  
Consolidated Balance Sheets  
(in thousands, except share and per share data)

|  | <u>September 30,</u><br><u>2007</u> | <u>December 31,</u><br><u>2006</u> |
|--|-------------------------------------|------------------------------------|
|  | <u>(unaudited)</u>                  |                                    |
| <b>ASSETS</b>                              |                                     |                                    |
| <i><b>Homebuilding:</b></i>                |                                     |                                    |
| Cash and cash equivalents                  | \$ 314,364                          | \$ 551,738                         |
| Receivables                                | 17,666                              | 12,213                             |
| Inventory:                                 |                                     |                                    |
| Lots and housing units, covered under      |                                     |                                    |
| sales agreements with customers            | 878,541                             | 667,100                            |
| Unsold lots and housing units              | 93,940                              | 58,248                             |
| Manufacturing materials and other          | 6,916                               | 8,268                              |
|  | 979,397                             | 733,616                            |
| Contract land deposits                     | 237,868                             | 402,170                            |
| Assets not owned, consolidated             |                                     |                                    |
| per FIN 46R                                | 203,782                             | 276,419                            |
| Property, plant and equipment, net         | 34,582                              | 40,430                             |
| Reorganization value in excess of amounts  |                                     |                                    |
| allocable to identifiable assets, net      | 41,580                              | 41,580                             |
| Goodwill and other indefinite and definite |                                     |                                    |
| life intangibles, net                      | 11,816                              | 11,936                             |
| Other assets                               | 252,617                             | 207,468                            |
|  | 2,093,672                           | 2,277,570                          |
| <i><b>Mortgage Banking:</b></i>            |                                     |                                    |
| Cash and cash equivalents                  | 2,827                               | 4,381                              |
| Mortgage loans held for sale, net          | 137,749                             | 178,444                            |
| Property and equipment, net                | 941                                 | 1,168                              |
| Reorganization value in excess of amounts  |                                     |                                    |
| allocable to identifiable assets, net      | 7,347                               | 7,347                              |
| Other assets                               | 4,138                               | 4,898                              |
|  | 153,002                             | 196,238                            |
| <b>Total assets</b>                        | <u>\$ 2,246,674</u>                 | <u>\$ 2,473,808</u>                |

(Continued)



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

|  | <u>September 30,<br/>2007</u> | <u>December 31,<br/>2006</u> |
|--|-------------------------------|------------------------------|
|  | <u>(unaudited)</u>            |                              |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |                               |                              |
| <i>Homebuilding:</i>   |                               |                              |
| Accounts payable   | \$ 266,362                    | \$ 273,936                   |
| Accrued expenses and other liabilities   | 244,534                       | 265,223                      |
| Liabilities related to assets not owned,<br>consolidated per FIN 46R   | 179,487                       | 244,805                      |
| Customer deposits  | 174,324                       | 165,354                      |
| Other term debt  | 2,888                         | 3,080                        |
| Senior notes   | 200,000                       | 200,000                      |
|  | <u>1,067,595</u>              | <u>1,152,398</u>             |
| <i>Mortgage Banking:</i>   |                               |                              |
| Accounts payable and other liabilities   | 15,354                        | 15,784                       |
| Notes payable  | 111,647                       | 153,552                      |
|  | <u>127,001</u>                | <u>169,336</u>               |
| <b>Total liabilities</b>   | <u>1,194,596</u>              | <u>1,321,734</u>             |
| <i>Commitments and contingencies</i>   |                               |                              |
| <i>Shareholders' equity:</i>   |                               |                              |
| Common stock, \$0.01 par value; 60,000,000 shares<br>authorized; 20,592,640 shares issued for both<br>September 30, 2007 and December 31, 2006         | 206                           | 206                          |
| Additional paid-in capital   | 653,996                       | 585,438                      |
| Deferred compensation trust - 516,044 and<br>547,911 shares of NVR, Inc. common stock for<br>September 30, 2007 and December 31, 2006,<br>respectively | (75,616)                      | (80,491)                     |
| Deferred compensation liability  | 75,616                        | 80,491                       |
| Retained earnings  | 3,462,721                     | 3,196,040                    |
| Less treasury stock at cost - 15,457,040 and<br>15,075,113 shares for September 30, 2007 and<br>December 31, 2006, respectively                        | (3,064,845)                   | (2,629,610)                  |
| <b>Total shareholders' equity</b>  | <u>1,052,078</u>              | <u>1,152,074</u>             |
| <b>Total liabilities and shareholders'<br/>equity</b>  | <u>\$ 2,246,674</u>           | <u>\$ 2,473,808</u>          |

**NVR, Inc.**  
Operating Activity  
(unaudited)  
(dollars in thousands)

| Three Months Ended<br>September 30, |      | Nine Months Ended<br>September 30, |      |
|-------------------------------------|------|------------------------------------|------|
| 2007                                | 2006 | 2007                               | 2006 |

**Homebuilding data:**

|                                  |          |          |          |          |
|----------------------------------|----------|----------|----------|----------|
| New orders (units)               |          |          |          |          |
| Mid Atlantic (1)                 | 1,061    | 1,128    | 4,785    | 4,740    |
| North East (2)                   | 260      | 264      | 1,022    | 1,119    |
| Mid East (3)                     | 667      | 482      | 2,620    | 2,489    |
| South East (4)                   | 672      | 504      | 1,895    | 1,867    |
| Total                            | 2,660    | 2,378    | 10,322   | 10,215   |
|                                  |          |          |          |          |
| Average new order price          | \$ 330.1 | \$ 362.5 | \$ 358.4 | \$ 380.6 |
|                                  |          |          |          |          |
| Settlements (units)              |          |          |          |          |
| Mid Atlantic (1)                 | 1,656    | 1,791    | 4,728    | 5,511    |
| North East (2)                   | 345      | 441      | 918      | 1,197    |
| Mid East (3)                     | 936      | 966      | 2,347    | 2,606    |
| South East (4)                   | 539      | 656      | 1,646    | 1,823    |
| Total                            | 3,476    | 3,854    | 9,639    | 11,137   |
|                                  |          |          |          |          |
| Average settlement price         | \$ 365.1 | \$ 396.3 | \$ 377.5 | \$ 397.7 |
|                                  |          |          |          |          |
| Backlog (units)                  |          |          |          |          |
| Mid Atlantic (1)                 |          |          | 3,722    | 4,203    |
| North East (2)                   |          |          | 644      | 706      |
| Mid East (3)                     |          |          | 1,547    | 1,484    |
| South East (4)                   |          |          | 1,158    | 995      |
| Total                            |          |          | 7,071    | 7,388    |
|                                  |          |          |          |          |
| Average backlog price            |          |          | \$ 381.2 | \$ 424.0 |
|                                  |          |          |          |          |
| Community count (average)        | 506      | 609      | 517      | 602      |
| Lots controlled at end of period |          |          | 79,700   | 98,000   |

**Mortgage banking data:**

|               |            |            |              |              |
|---------------|------------|------------|--------------|--------------|
| Loan closings | \$ 793,749 | \$ 986,677 | \$ 2,358,218 | \$ 2,846,920 |
| Capture rate  | 84%        | 86%        | 85%          | 86%          |

**Common stock information:**

|   |            |           |            |            |
|---|------------|-----------|------------|------------|
| Shares outstanding at end of period         |            |           | 5,135,600  | 5,644,915  |
| Weighted average basic shares outstanding   | 5,283,000  | 5,725,000 | 5,516,000  | 5,682,000  |
| Weighted average diluted shares outstanding | 5,969,000  | 6,588,000 | 6,312,000  | 6,727,000  |
| Number of shares repurchased                | 479,088    | 127,085   | 784,788    | 288,941    |
| Aggregate cost of shares repurchased        | \$ 297,859 | \$ 62,469 | \$ 507,472 | \$ 183,286 |

(1) Virginia, West Virginia, Maryland, and Delaware

(2) New Jersey and eastern Pennsylvania

(3) Kentucky, Michigan, New York, Ohio and western Pennsylvania

(4) North Carolina, South Carolina and Tennessee