

**CHARTER OF THE
COMPENSATION COMMITTEE
OF
NVR, INC.**

The Board of Directors of NVR, Inc. has adopted and approved this amended Charter for the Compensation Committee of NVR, Inc. by resolution effective July 28, 2005.

Purpose

The Compensation Committee (the "Compensation Committee") of the Board of Directors (the "Board") of NVR, Inc. (the "Company") shall discharge the Board's responsibilities relating to compensation of the Company's directors and executive officers, and administer and implement the Company's incentive-compensation plans and equity-based plans. The Compensation Committee also shall be responsible for planning for the succession of the Chief Executive Officer and for preparing an annual report on executive compensation for inclusion in the Company's annual meeting proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission.

Committee Membership

The Compensation Committee shall consist of no fewer than four members of the Board. Members of the Compensation Committee shall be appointed by the Board upon the recommendation of the Nominating Committee and may be removed by the Board. All members of the Compensation Committee shall meet the independence requirements of the applicable exchange on which the Company's securities are listed and any other legal requirements relevant to the proper administration of the Company's compensation plans and programs, including requirements under the federal securities laws and the Internal Revenue Code of 1986, as amended.

Committee Powers, Authority, Duties and Responsibilities

1. The Compensation Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of directors' and executive officers' compensation and shall have the sole authority to approve the consultant's fees and other retention terms. The Compensation Committee also shall have authority to obtain advice and assistance from internal or outside legal, accounting or other advisors it determines necessary to carry out its duties. The Compensation Committee shall receive appropriate funding, as determined by the Compensation Committee, from the Company for payment of fees related to the retention of such advisors.
2. The Compensation Committee shall annually review and approve corporate goals and objectives relevant to compensation of the Company's Chairman of the Board ("Chairman") and Chief Executive Officer ("CEO"), evaluate the Chairman's and CEO's performance in light of those goals and objectives, and have the sole authority to

determine the Chairman's and CEO's compensation levels based on this evaluation and in accordance with any applicable employment agreements. In determining the long-term incentive component of the Chairman's and CEO's compensation, the Compensation Committee should consider the Company's performance and relative shareholder return, the value of similar incentive awards to Chairmen and CEOs at comparable companies, the awards given to the Chairman and CEO in past years and such other matters as it deems relevant. To the extent such compensation is set forth in employment agreements, such employment agreements shall be subject to the review and approval of the Compensation Committee.

3. The Compensation Committee, in consultation with the CEO, shall annually review and approve, for all other executive officers of the Company, (a) the annual base salary amount, (b) the annual bonus payment, as calculated in accordance with each such executive's employment agreement, as applicable, or pursuant to any incentive plan, (c) any long-term incentive compensation, (d) any amendments to such executive's employment agreement, any proposed severance arrangements or change in control and similar agreements/provisions, and any amendments, supplements or waivers to the foregoing agreements, in each case as, when and if deemed necessary or advisable, and (e) any perquisites, special or supplemental benefits, all in accordance with applicable law, rules and regulations, and to the extent appropriate or necessary to comply with any federal securities or tax law requirements, such as Rule 16b-3 of the Securities Exchange Act of 1934, as amended, or Section 162(m) of the Internal Revenue Code of 1986, as amended. To the extent such compensation is set forth in employment agreements, such employment agreements shall be subject to the review and approval of the Compensation Committee.
4. The Compensation Committee shall periodically review and make recommendations to the Board with respect to the compensation of directors, including Board and committee retainers, meeting fees, equity-based compensation, and such other forms of compensation as the Compensation Committee may consider appropriate.
5. The Compensation Committee shall administer and implement the Company's incentive compensation plans and equity-based plans, including, but not limited to, (a) approving option grants and restricted unit or other awards, including delegating option granting authority to a senior executive officer of the Company, within limits specifically prescribed by the Board, though in no event can the Compensation Committee delegate to any party the authority to issue option grants to members of the Board, the Chairman, the CEO or any other executive officer of the Company, (and in all cases the senior executive to whom the Compensation Committee delegated option granting authority must report all options granted pursuant to that delegated authority at the next regularly scheduled Compensation Committee meeting) (b) interpreting the plans, (c) determining rules and regulations relating to the plans, (d) modifying or canceling existing grants or awards and (e) imposing limitations, restrictions and conditions upon any grant or award as the Compensation Committee deems necessary or advisable.

6. The Compensation Committee shall annually assess the desirability of proposing and making recommendations to the Board with respect to any new incentive-compensation plans and equity-based plans and any increase in shares reserved for issuance under existing plans.
7. The Compensation Committee shall prepare a report on executive compensation for inclusion in the Company's annual meeting proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission.
8. The Compensation Committee may delegate its authority to members, as the Compensation Committee deems appropriate; provided that any delegate shall report any actions taken by him or her to the whole Compensation Committee at its next regularly scheduled meeting.
9. The Compensation Committee is responsible for making recommendations to the Board about succession planning for the Chief Executive Officer. The Compensation Committee, in conjunction with the Chairman and CEO, shall also consider succession planning for other key positions within the Company.
10. The members of the Compensation Committee shall appoint one of their number as the Chairman of the Compensation Committee. The Chairman of the Compensation Committee shall be responsible for leadership of the Compensation Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting for the Compensation Committee to the Board at the Board's next regularly scheduled meeting following the meeting of the Compensation Committee.
11. The Compensation Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
12. The Compensation Committee shall annually review its own performance as compared to the requirements of this Charter.
13. The Compensation Committee shall have such other authority and responsibilities as may be assigned to it from time to time by the Board.