

Hovnanian Associates/Employees' Policies & Procedures for the Reporting of Concerns or Complaints

The following information is made available for Employees of Hovnanian Enterprises, Inc.

For complete information with regard to the reporting of concerns or complaints, associates of Hovnanian Enterprises, Inc. should refer to the Company's Code of Ethics (Section IV.G) and Human Resources Policies & Procedures Manuals.

Associates of Hovnanian Enterprises, Inc. are encouraged to discuss the nature of their complaints with their immediate supervisor. However, the Company recognizes the need, under special circumstances, for associates to anonymously report concerns or complaints to various areas of management and therefore makes available to its associates, the Corporate Governance & Ethics Hotline ("Hotline;" 1-800-249-5568). Messages on the Hotline will be transcribed and routed by an independent service provider to either the Company's Audit Committee or members of management in human resources or the General Counsel as indicated by the nature of the call.

The Hotline is not to be utilized for purposes of reporting customer-service driven concerns or complaints related to home purchases. Customer service representatives are typically assigned to new homeowners and they should be contacted for the handling of these types of complaints. Messages left with regard to these types of concerns will not be returned.

The Corporate Governance and Ethics Hotline makes available to Associates of Hovnanian Enterprises, Inc. the following three options related to the reporting of concerns or complaints:

The reporting of a concern or complaint relating to any financial reporting, accounting, internal accounting controls, or auditing matters (Option One); or

The reporting of a concern or complaint related to a retaliatory act or any circumstances that constitute or could be construed to be a violation of K. Hovnanian Companies' Code of Ethics or any law (Option Two); or

The reporting of a concern or complaint regarding any human resources' matters, including, but not limited to questions of impropriety as they might relate to allegations of sexual harassment or discrimination (Option Three).

Any questions regarding the Hotline should be addressed to the General Counsel, Peter S. Reinhart.