



CPS Announces First Quarter 2010 Operating Results

IRVINE, CA, May 14, 2010 (MARKETWIRE via COMTEX) --Consumer Portfolio Services, Inc. (NASDAQ: CPSS) ("CPS" or the "Company") today announced operating results for its first quarter ended March 31, 2010.

Operating results for the first quarter of 2010 included revenues of \$44.6 million, a decrease of approximately \$21.5 million, or 32.5%, compared to \$66.1 million for the first quarter of 2009. Total operating expenses for the first quarter of 2010 were \$50.4 million, a decrease of \$16.2 million, or 24.3%, as compared to \$66.6 million for the 2009 period. Pretax loss for the first quarter of 2010 was \$(5.8) million compared to pretax loss of \$(0.5) million in the first quarter of 2009. Net loss for the first quarter of 2010 was \$(5.8) million, or \$(0.33) per diluted share, compared to net loss of \$(0.5) million, or \$(0.03) per diluted share, for the year-ago quarter.

During the first quarter of 2010, CPS purchased \$17.4 million of contracts from dealers as compared to \$6.1 million during the fourth quarter of 2009 and \$1.1 million during the first quarter of 2009. The Company's managed receivables totaled \$1,044.1 million as of March 31, 2010, a decrease of \$444.3 million, or 29.9%, from \$1,488.4 million as of March 31, 2009, as follows (\$ in millions):

	March 31, 2010	March 31, 2009
Owned by Consolidated Subsidiaries*	\$ 805.2	\$ 1,314.9
Owned by Non-Consolidated Subsidiaries	120.7	173.4
As Third Party Servicer	118.2	0.1
Total	\$ 1,044.1	\$ 1,488.4

* Before \$66.4 million and \$107.5 million of allowance for credit losses, deferred acquisition fees and repossessed vehicles for 2010 and 2009, respectively.

Annualized net charge-offs for the first quarter of 2010 were 12.19% of the average owned portfolio as compared to 11.59% in 2009. Delinquencies greater than 30 days (including repossession inventory) were 5.94% of the total owned portfolio as of March 31, 2010, as compared to 6.73% as of March 31, 2009. The first quarter of 2010 represents the first time that year-over-year portfolio delinquency levels have improved since the Company's managed portfolio began to decrease in 2008.

"We continue to make progress in our recovery from the Great Recession," said Charles E. Bradley, Jr., Chairman and Chief Executive Officer. "We almost tripled our new contract purchases in the first quarter over the fourth quarter of 2009 while maintaining similar yields and credit metrics. And the improving economy has finally shown up in our asset performance statistics as delinquencies improved vs. the first quarter of last year. We would expect to see similar comparisons going forward for net charge-offs."

"As we have previously reported, we closed a second \$50 million funding facility in the first quarter as the capital markets continue to thaw. In addition, the first insured securitization transaction in almost two years closed last month. This was the primary securitization structure that we used in prior years and it demonstrates that more funding options are becoming available in the marketplace."

Conference Call

CPS announced that it will hold a conference call on Wednesday, May 19, 2010, at 1:30 p.m. ET to discuss its quarterly operating results. Those wishing to participate by telephone may dial-in at 973-582-2717 approximately 10 minutes prior to the scheduled time.

A replay will be available between May 19, 2010 and May 26, 2010, beginning one hour after conclusion of the call, by dialing 800-642-1687 or 706-645-9291 for international participants, with conference identification number 75531893. A broadcast of the conference call will also be available live and for 30 days after the call via the Company's web site at www.consumerportfolio.com and at www.streetevents.com.

About Consumer Portfolio Services, Inc.

Consumer Portfolio Services, Inc. is a specialty finance company engaged in purchasing and servicing new and used retail automobile contracts originated primarily by franchised automobile dealerships and, to a lesser extent, by select independent dealers of used automobiles in the United States. We serve as an alternative source of financing for dealers, facilitating sales to sub-prime customers, who have limited credit history, low income or past credit problems and who otherwise might not be able to obtain financing from traditional sources.

Forward-looking statements in this news release include the Company's recorded revenue, expense and provision for credit losses, because these items are dependent on the Company's estimates of future losses. The accuracy of such estimates may be adversely affected by various factors, which include (in addition to risks relating to the economy generally) the following: possible increased delinquencies; repossessions and losses on retail installment contracts; incorrect prepayment speed and/or discount rate assumptions; possible unavailability of qualified personnel, which could adversely affect the Company's ability to service its portfolio; possible increases in the rate of consumer bankruptcy filings or the effects of recent changes in bankruptcy law, which could adversely affect the Company's rights to collect payments from its portfolio; other changes in government regulations affecting consumer credit; possible declines in the market price for used vehicles, which could adversely affect the Company's realization upon repossessed vehicles; and economic conditions in geographic areas in which the Company's business is concentrated. All of such factors also may affect the Company's future financial results, as to which there can be no assurance.

Any implication that the results of the most recently completed quarter are indicative of future results is disclaimed, and the reader should draw no such inference. Factors such as those identified above in relation to provision for credit losses may affect future performance.

Consumer Portfolio Services, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three months ended March 31,	
	2010	2009
Revenues:		
Interest income	\$ 38,969	\$ 61,179
Servicing fees	2,387	1,029
Other income	3,232	3,842
	44,588	66,050
Expenses:		
Employee costs	8,779	9,263
General and administrative	5,875	6,611
Interest	22,349	32,131
Provision for credit losses	11,716	16,089
Other expenses	1,687	2,465
	50,406	66,559
Income (loss) before income taxes	(5,818)	(509)
Income taxes	-	-
Net income (loss)	\$ (5,818)	\$ (509)
Earnings (loss) per share:		
Basic	\$ (0.33)	\$ (0.03)
Diluted	(0.33)	(0.03)
Number of shares used in computing earnings		
(loss) per share:		
Basic	17,837	19,005
Diluted	17,837	19,005

Condensed Consolidated Balance Sheets

(In thousands)
(Unaudited)

	March 31, 2010	December 31, 2009
Cash	\$ 22,788	\$ 12,433
Restricted cash	126,917	128,511
Total Cash	149,705	140,944
Finance receivables	770,347	878,366
Allowance for finance credit losses	(31,520)	(38,274)
Finance receivables, net	738,827	840,092
Residual interest in securitizations	4,593	4,316
Deferred tax assets, net	33,450	33,450
Other assets	38,419	49,459
	\$ 964,994	\$ 1,068,261
Accounts payable and other liabilities	\$ 19,852	\$ 17,906
Warehouse line of credit	17,580	4,932
Residual interest financing	52,910	56,930
Securitization trust debt	796,451	904,833
Senior secured debt, related party	26,395	26,118
Subordinated debt	22,526	21,965
	935,714	1,032,684
Shareholders' equity	29,280	35,577
	\$ 964,994	\$ 1,068,261

Operating and Performance Data (\$ in thousands)

At and for the
Three months ended
March 31,

	2010	2009
Contract purchases	17,410	1,095
Total managed portfolio	1,044,088	1,488,357
Average managed portfolio	1,094,311	1,548,464
Net interest margin (1)	16,620	29,048
Risk adjusted margin (2)	4,904	12,959
Core operating expenses (3)	16,341	18,339
Annualized % of average managed portfolio	5.97%	4.74%
Allowance for finance credit losses as % of fin. receivables	4.09%	4.18%
Aggregate allowance as % of fin. receivables (4)	6.36%	6.37%
Delinquencies		
31+ Days	2.61%	3.59%
Repossession Inventory	3.33%	3.14%
Total Delinquencies and Repossession Inventory	5.94%	6.73%
Annualized net charge-offs as % of average owned portfolio	12.19%	11.59%

(1) Interest income less interest expense.

(2) Net interest margin less provision for credit losses.

(3) Total expenses less interest and provision for credit losses.

(4) Includes allowance for finance credit losses and allowance for
repossession inventory.

Investor Relations Contact
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SOURCE: Consumer Portfolio Services, Inc.