

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON DC 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) January 12, 2006

CONSUMER PORTFOLIO SERVICES, INC.
(Exact Name of Registrant as Specified in Charter)

CALIFORNIA
(State or Other Jurisdiction
of Incorporation)

001-14116
(Commission
File Number)

33-0459135
(IRS Employer
Identification No.)

16355 Laguna Canyon Road, Irvine, CA 92618
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (949) 753-6800

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 7.01 REGULATION FD DISCLOSURE

The registrant, Consumer Portfolio Services, Inc. ("CPS") is today making available two presentations. Copies thereof are attached hereto as exhibits. Although each of the two exhibits is an update of similar documents filed as exhibits to a current report that CPS filed on October 11, 2005, CPS is not undertaking to update further any information contained in these materials.

The information furnished in this report shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1933, as amended.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

Neither financial statements nor pro forma financial information are filed with this report.

Two exhibits are filed herewith:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Company Summary
99.2	Historical Timeline of Significant Events

SIGNATURES

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

CONSUMER PORTFOLIO SERVICES, INC.

Dated: January 12, 2006

By: /s/ Charles E. Bradley, Jr.

Charles E. Bradley, Jr.
President and chief executive officer
Signing on behalf of the registrant
and as principal executive officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Company Summary
99.2	Historical Timeline of Significant Events

Consumer Portfolio Services, Inc.

Nasdaq: CPSS

1



Cautionary Statement

Information included in the following slides is believed to be accurate, but is not necessarily complete. Such information should be reviewed in its appropriate context. The implication that historical trends will continue in the future, or that past performance is indicative of future results, is disclaimed. To the extent that one reading the following material nevertheless makes such an inference, such inference would be a forward-looking statement, and would be subject to risks and uncertainties that could cause actual results to vary. Such risks include variable economic conditions, adverse portfolio performance (resulting, for example, from increased defaults by the underlying obligors), volatile wholesale values of collateral underlying CPS assets, reliance on warehouse financing and on the capital markets, fluctuating interest rates, increased competition, regulatory changes, the risk of obligor default inherent sub-prime financing, and exposure to litigation.



Reference to Public Reports

Any person considering an investment in securities issued by CPS is urged to review the materials filed by CPS with the U.S. Securities and Exchange Commission ("Commission"). Such materials may be found by inquiring of the Commission's EDGAR search page (<http://www.sec.gov/edgar/searchedgar/companysearch.html>) using CPS's ticker symbol, which is "CPSS." Risk factors that should be considered are described under the caption "Forward-looking Statements" in Item 7 of CPS's annual report on Form 10-K, which report is on file with the Commission and available for review at the Commission's website. Such description of risk factors is incorporated herein by reference.



Consumer Portfolio Services, Inc.

- ✓ Specialty finance company focused on sub-prime auto market
- ✓ Established in 1991; IPO in 1992
- ✓ Through September 30, 2005, over \$5.8 billion in contract purchases from auto dealers



Consumer Portfolio Services, Inc.

- ✓ As of September 30, 2005, managed portfolio of approximately \$1.1 billion
- ✓ Irvine, California headquarters and servicing branches in Virginia, Florida, Georgia and Illinois
- ✓ Approximately 700 employees



U.S. Auto Finance Market

- ✓ 2004 U.S. auto financing = \$392 billion*
 - \$207 billion new; \$185 billion used
- ✓ Company estimates 20%, or \$78 billion is “sub-prime”
- ✓ Historically fragmented market with few long-term dominant players

* According to CNW Marketing Research, Inc.



Major Market Participants

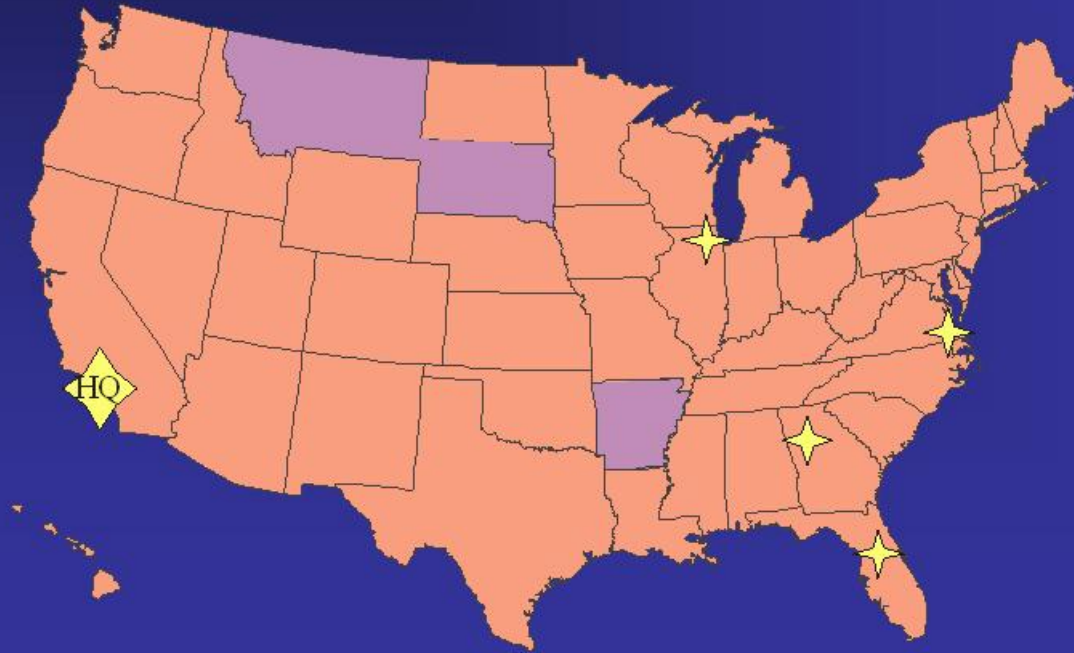
- ✓ AmeriCredit
- ✓ Capital One
- ✓ Triad
- ✓ HSBC/Household
- ✓ CitiFinancial
- ✓ Wells Fargo
- ✓ Manufacturers' Captives
- ✓ Regional Financial Inst.
- ✓ Regional Independents



The CPS Landscape

as of September 30, 2005

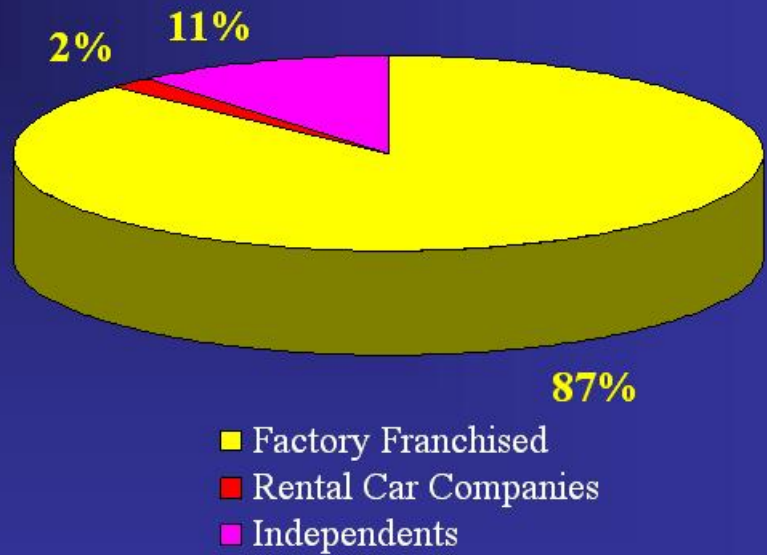
- ✓ Contracts with over 7,000 dealers in 47 states ■
- ✓ 71 employee marketing reps in field
- ✓ West coast headquarters and four strategically located servicing branches ★



The CPS Landscape

Contract Purchases
January through
September 2005

✓ Primarily factory
franchised dealers



The CPS Landscape

CPS's risk-adjusted pricing results in program offerings covering a wide band of the credit spectrum

New contract acquisitions January through September 2005

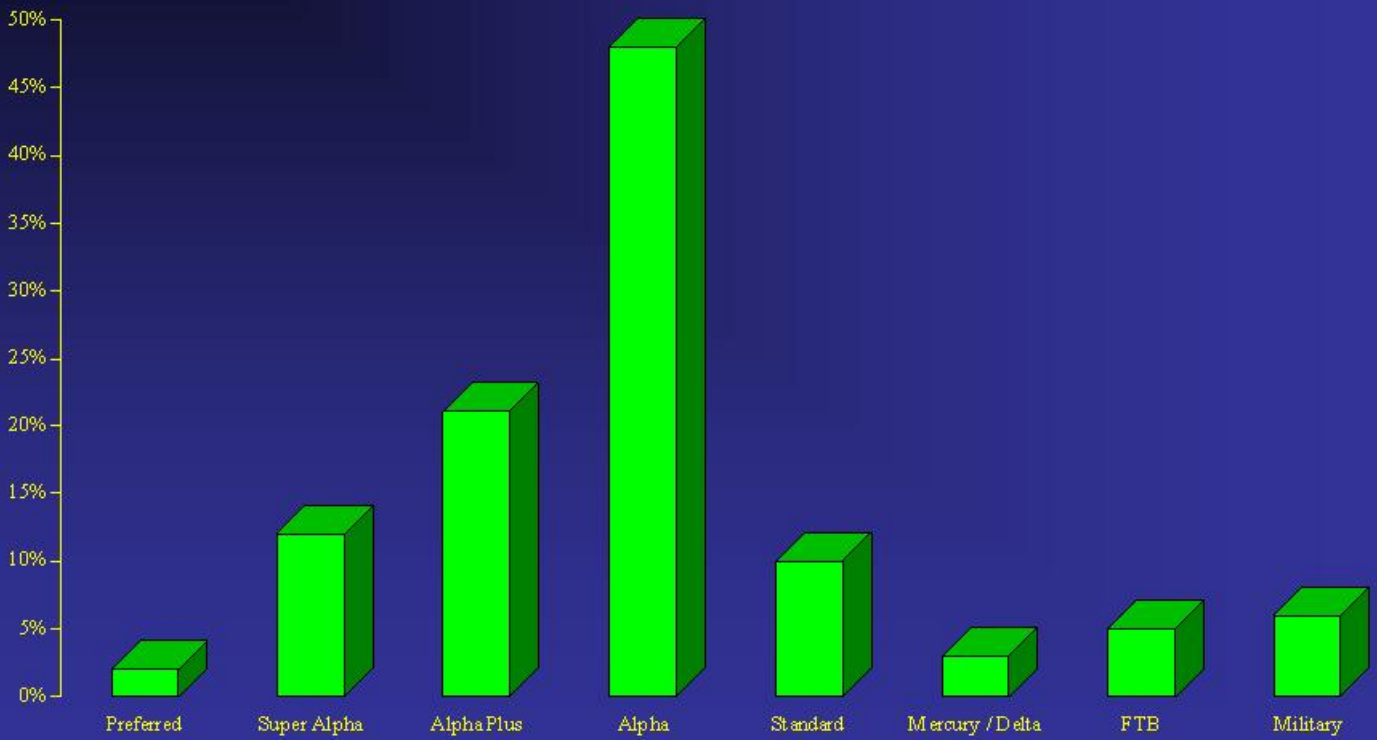
Program	Avg Yield % (1)	Avg Amount Financed \$	Avg FICO
Preferred	12.4	20,366	605
Super Alpha	15.3	18,951	520
Alpha Plus	16.8	17,049	526
Alpha	19.1	14,563	513
Standard	23.0	12,062	528
Mercury / Delta	26.3	11,645	515
First Time Buyer	27.9	10,657	n/a



(1) Contract APR as adjusted for fees charged (or paid) to dealer.

The CPS Landscape

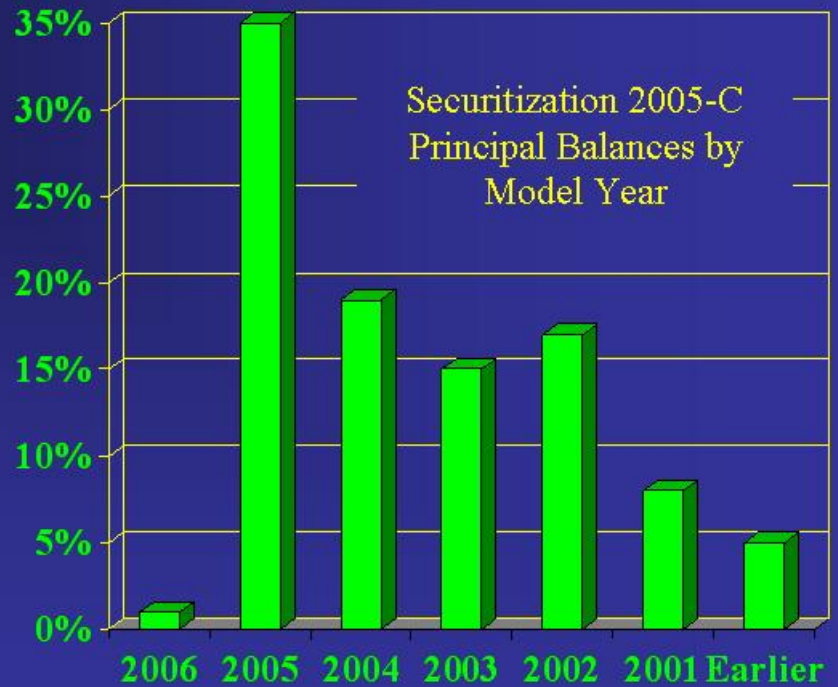
Product Mix



The CPS Landscape

✓ Primarily late model pre-owned vehicles

- 21% New
- 79% Pre-owned

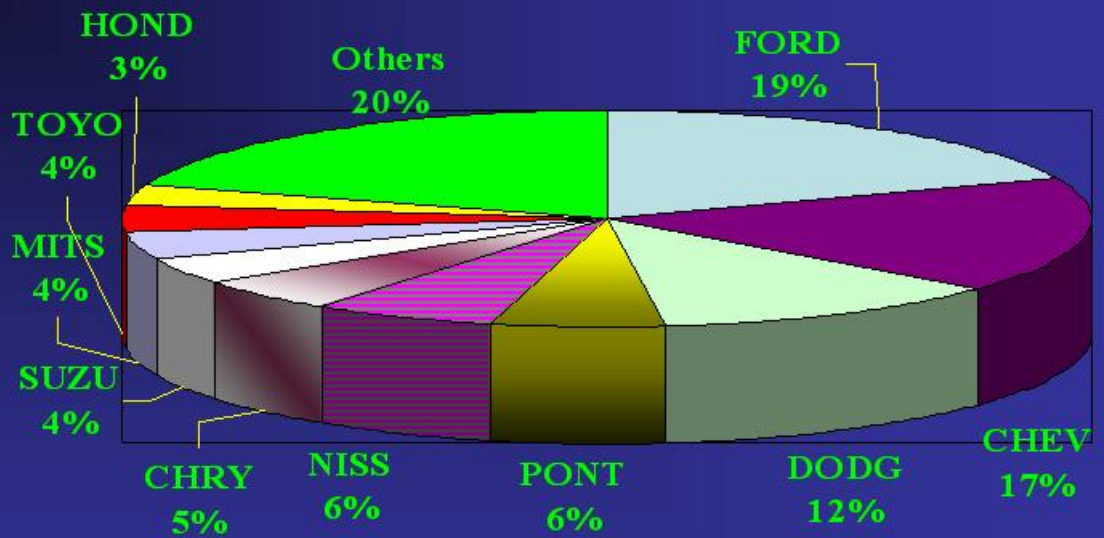


The CPS Landscape

✓ Affordable, basic transportation vehicles

✓ Average vehicle sales price of \$14,817

✓ Average monthly payment of \$373 for 62 months



New contract acquisitions January through Sept 2005



The CPS Landscape

An emphasis on *stable* obligors with the ability to rehabilitate their credit profile

Average age	38 years
Average time in job	5 years
Average time in residence	5 years
Average household income	\$40,380 per year
Percentage of homeowners	17%



Contract Originations

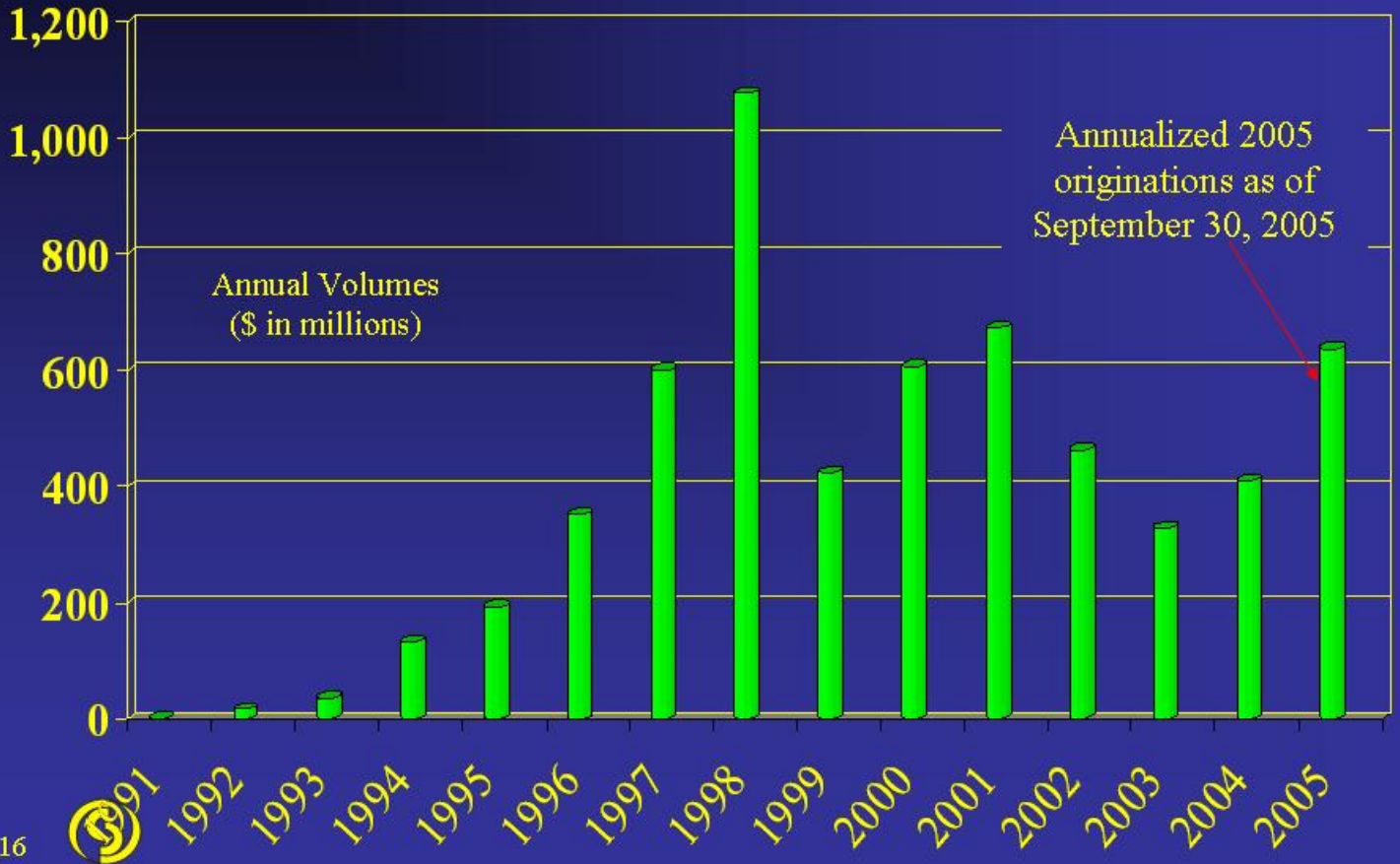
- ✓ Centralized contract originations at Irvine HQ
 - Maximizes control and efficiencies
- ✓ Proprietary auto-decisioning system
 - Makes initial credit decision on approximately 80% of incoming applications
 - Enhances dealer service by shortening response time
- ✓ Pre-funding verification of employment, income and residency
 - Protects against dealer and obligor fraud



Contract Originations

Infrastructure to Support Significant Originations Volumes

Since inception through June 2005 the Company has originated over \$5.8 billion



Contract Servicing

- ✓ Geographically dispersed servicing centers enhance coverage and staffing flexibility
- ✓ Offices are tied into the central database and paperless collection system
- ✓ Dynamic work queue monitoring and balancing among offices



Contract Servicing

- ✓ Early contact on past due accounts; commencing sixth day after due date
- ✓ Workloads allocated based on specialization
- ✓ Front end workload supplemented by automated intelligent predictive dialer



Contract Servicing

Automated paperless servicing system builds dynamic work queues based on the account's characteristics.

Supervision	Supervision	Supervision	Supervision	Supervision	Supervision
Predictive Dialer <i>0-29 days</i>	Front End <i>30-59 days</i>	Back End <i>60-119 days</i>	Military	Insurance Claims	Skip Tracing

Supervision	Supervision	Supervision	Supervision	Supervision
Legal	Bankruptcy	Repossession	Liquidation	Deficiency

Agents are assigned to work queues based on their specialization. Supervisors with appropriate expertise oversee specialized groups.



Successful Acquisitions

<u>Entity</u>	<u>Date and Purchase Price</u>	<u>Comments</u>
MFN Financial Corp.	March 2002 \$123.2 million	<ul style="list-style-type: none"> ✓\$380 million portfolio ✓\$17.4 million negative goodwill
THE Finance Company	May 2003 \$23.7 million	<ul style="list-style-type: none"> ✓\$150 million portfolio ✓CPS maintains presence in TFC military niche
SeaWest Financial Corp. (Purchase of certain assets only)	April 2004 \$63.2 million	<ul style="list-style-type: none"> ✓\$75 million portfolio acquired ✓Servicing for additional \$100 million



Portfolio Financing

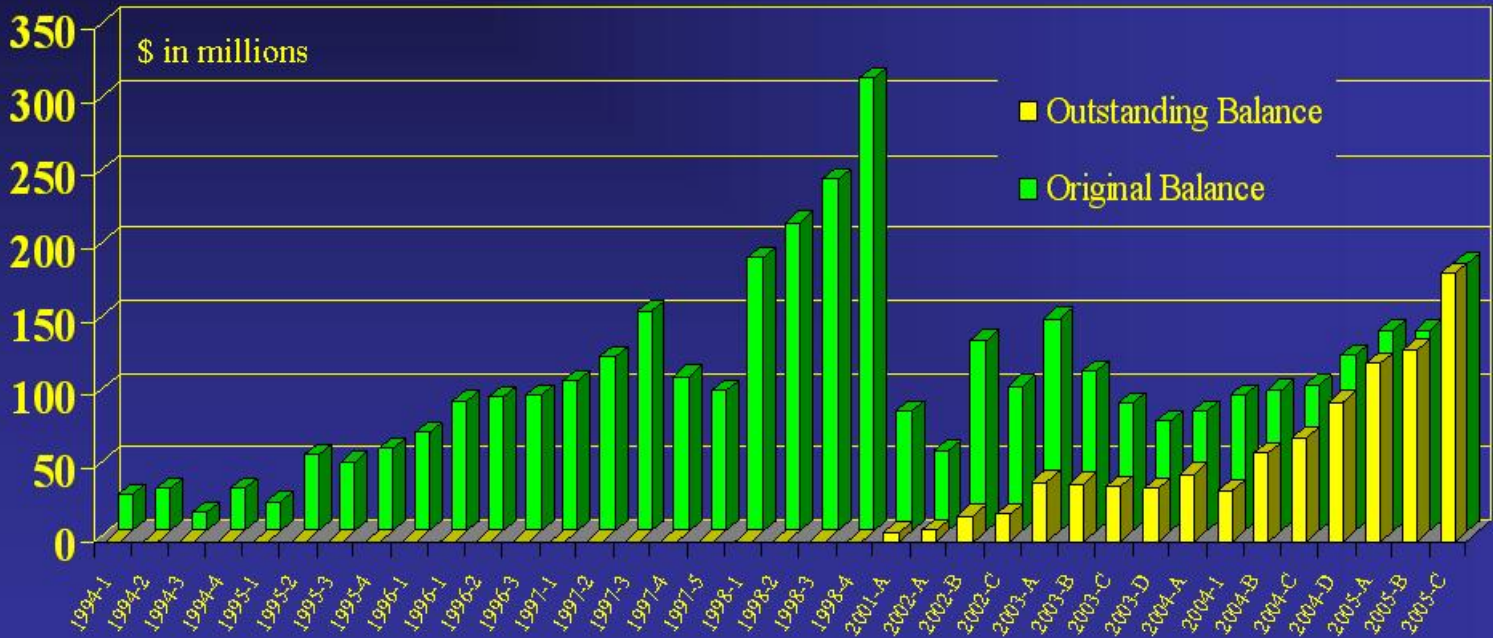
- ✓ Two short-term warehouse facilities aggregating \$350 million
- ✓ Quarterly “AAA” rated asset-backed securities provide long-term matched funding
- ✓ Use of multiple bond insurers enhances liquidity and structural flexibility
- ✓ Sale of subordinated tranches increases liquidity



Portfolio Financing

The Company has been a regular issuer of rated ABS since 1994

Through Q3 2005: 38 deals aggregating over \$3.9 billion



Other Financing

(\$ in thousands)

<u>Outstanding at September 30, 2005 (1)</u>	<u>Source</u>	<u>Terms</u>	<u>Comments</u>
\$59,829 (2)	Senior Debt – Affiliate of Levine Leichtman	11.75% 2005 and 2006 maturities	A lender to CPS since 1998
\$14,000 (3)	Sub. Debt – RISRs	12.5% Maturing 2006	Publicly issued notes from 1996
\$3,400	Sub. Debt – Renewable Notes	Wtd rate 8.3% Wtd orig term 27 months	Shelf registration effective May 2005

(1) Issued \$45,800 “NIM” ABS in November 2005.

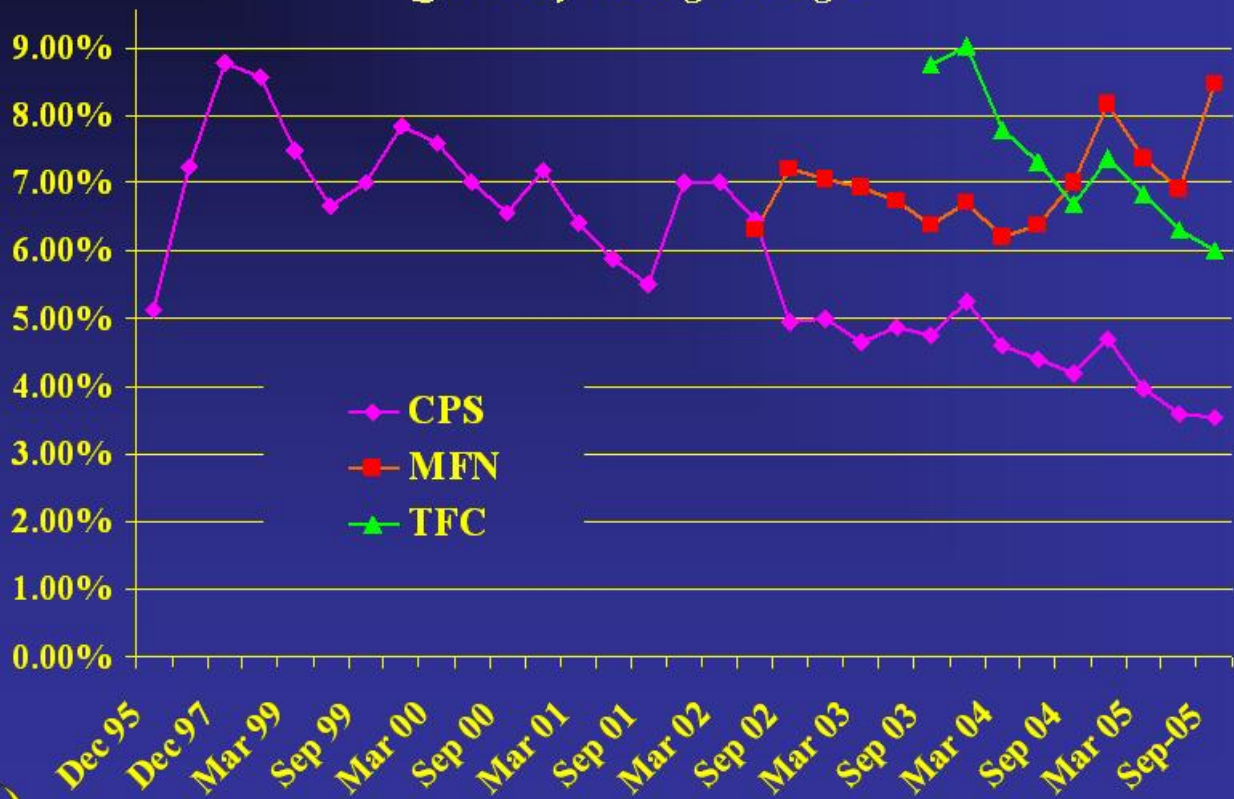
(2) Repaid \$19,829 in December 2005.

(3) Repaid \$14,000 in January 2006.



Asset Performance

Receivables and Repo Inventory 30 Plus Days Past Due
Quarterly rolling averages

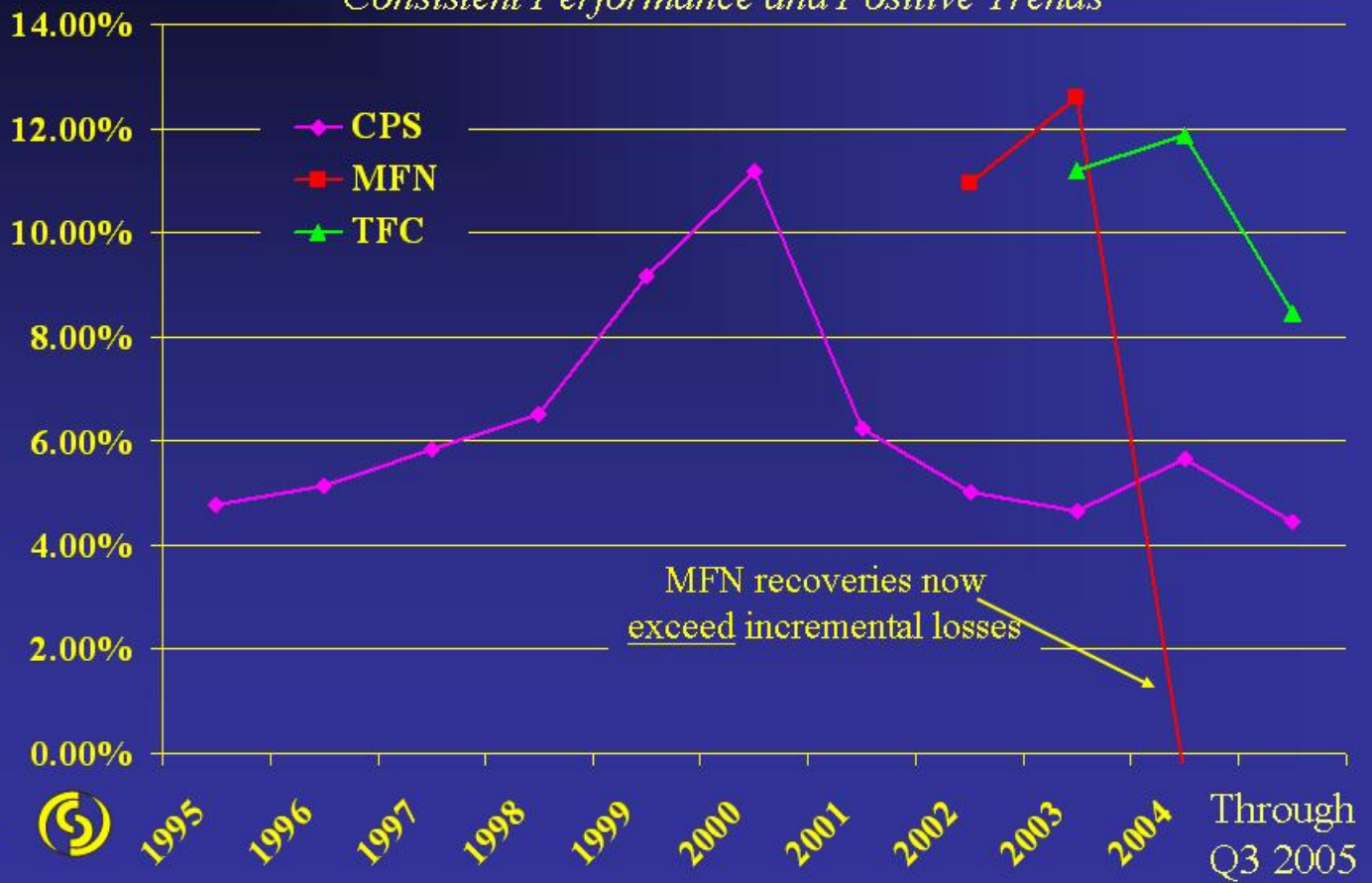


Consistent Performance and Positive Trends

Asset Performance

Average Annual Net Credit Losses

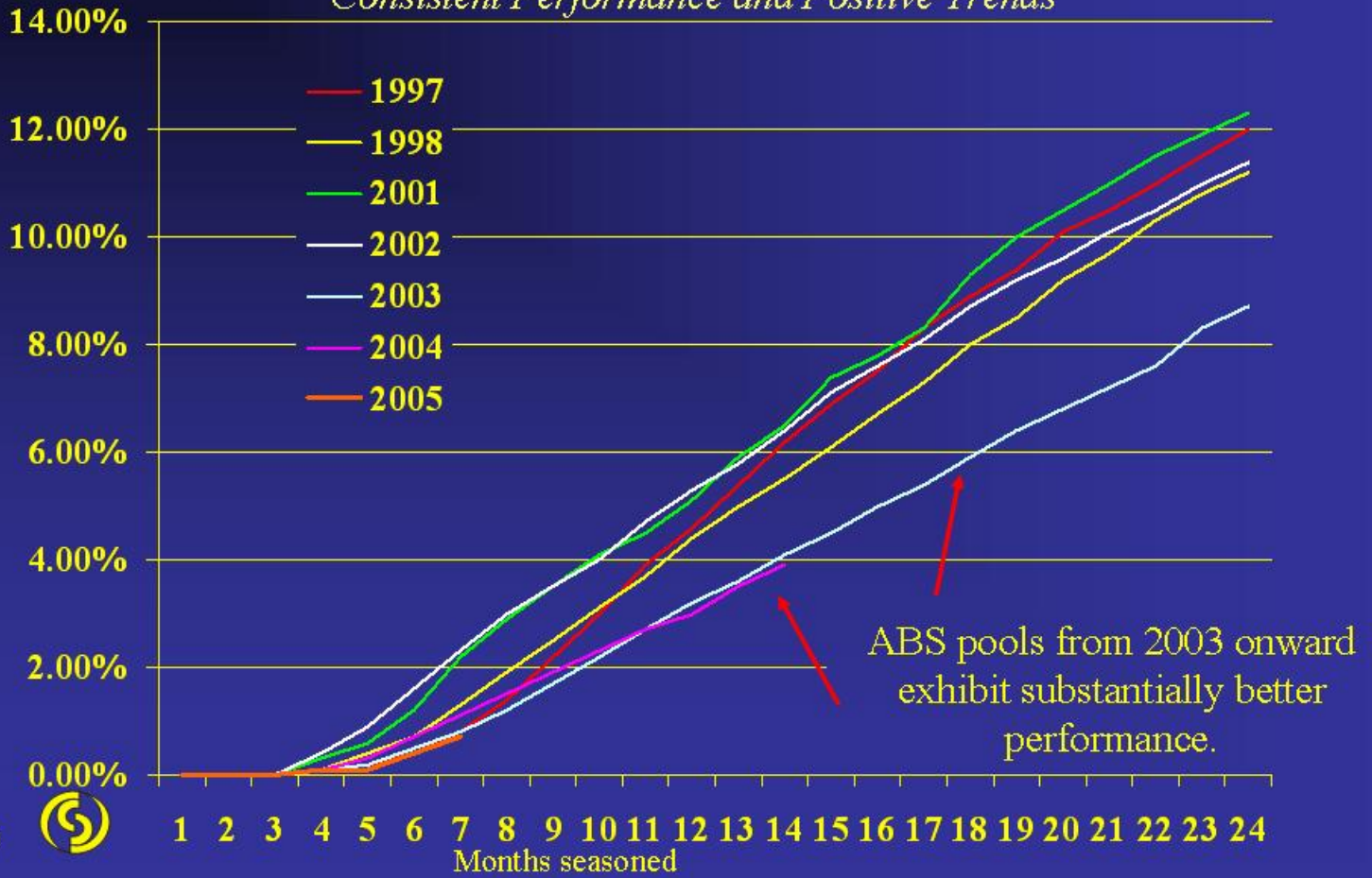
Consistent Performance and Positive Trends



Asset Performance

Average ABS Pool Cumulative Net Credit Losses as of September 30, 2005

Consistent Performance and Positive Trends



Summary Balance Sheets

(\$ in thousands)

	<u>September 30,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>	<u>December 31,</u> <u>2003</u>
<u>Assets</u>			
Cash	\$ 11,576	\$ 14,366	\$ 33,209
Restricted Cash	152,452	125,113	67,277
Finance receivables, net of allowance	816,140	550,191	266,189
Residual interest in securitizations	30,057	50,430	111,702
Other Assets	31,181	26,499	14,093
	<u>\$ 1,041,406</u>	<u>\$ 766,599</u>	<u>\$ 492,470</u>
<u>Liabilities</u>			
Accounts payable and other liabilities	\$ 18,104	\$ 22,552	\$ 29,018
Warehouse lines of credit	69,633	34,279	33,709
Residual interest financing	0	22,204	0
Securitization trust debt	804,118	542,815	245,118
Other debt	77,120	74,829	102,465
	<u>968,975</u>	<u>696,679</u>	<u>410,310</u>
Shareholders' equity	72,431	69,920	82,160
	<u>\$ 1,041,406</u>	<u>\$ 766,599</u>	<u>\$ 492,470</u>



Summary Statements of Operations

(\$ in thousands)

	<u>Nine Months Ended</u>		<u>Year Ended</u>	
	September 30, <u>2005</u>	September 30, <u>2004</u>	December 31, <u>2004</u>	December 31, <u>2003</u>
<u>Revenues</u>				
Net gain on sale of contracts	\$ 0	\$ 0	\$ 0	\$ 10,421
Interest income	122,015	74,108	105,818	58,164
Servicing fees	5,492	9,864	12,480	17,058
Other income	11,477	11,151	14,394	19,343
	<u>138,984</u>	<u>95,123</u>	<u>132,692</u>	<u>104,986</u>
<u>Expenses</u>				
Employee costs	29,657	29,352	38,173	37,141
General and administrative	28,427	24,353	30,939	31,581
Interest	35,842	21,800	32,147	23,861
Impairment on residual	0	2,650	11,750	4,052
Provision for credit losses	43,354	20,610	32,574	11,390
	<u>137,280</u>	<u>98,765</u>	<u>148,580</u>	<u>108,025</u>
Income (loss)	1,704	(3,642)	(15,888)	(3,039)
Tax benefit	0	0	0	(3,434)
Net income (loss)	<u>\$ 1,704</u>	<u>\$ (3,642)</u>	<u>\$ (15,888)</u>	<u>\$ 395</u>



Investment Merits

- ✓ Market participant since 1991; CPS has weathered industry turbulence to remain one of the few independent public auto finance companies
- ✓ Disciplined approach to credit quality and servicing
- ✓ Demonstrated growth in new contract acquisitions and total managed portfolio
- ✓ Access to capital markets through regular ABS issuance and “NIM” market



Investment Merits

- ✓ Improving asset performance
- ✓ Portfolio accounting has gained traction – second and third quarters of 2005 were first profitable quarters since June 2003 quarter
- ✓ Opportunistic, successful acquisitions
- ✓ Stable senior management – President, Senior Vice Presidents and Vice Presidents average 11 years of service with the Company



Consumer Portfolio Services, Inc.

Nasdaq: CPSS



Consumer Portfolio Services, Inc.

Historical Timeline of Significant Events

Nasdaq: CPSS

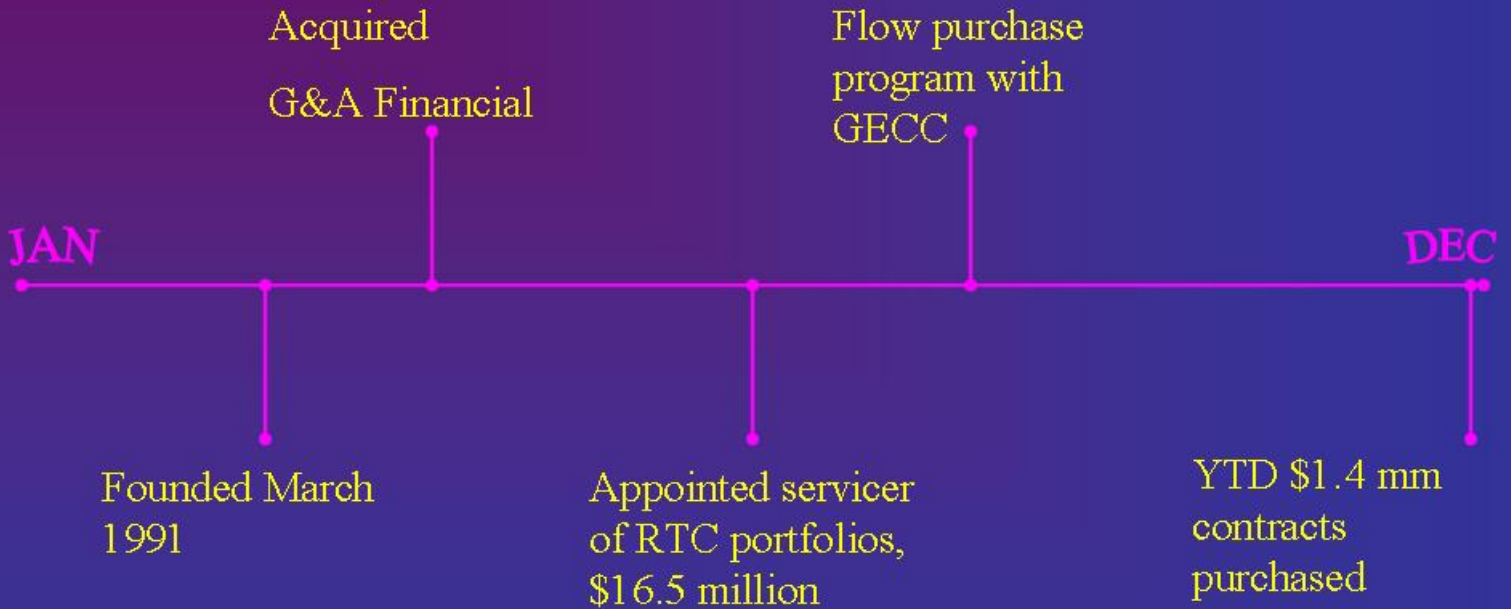


Cautionary Statement

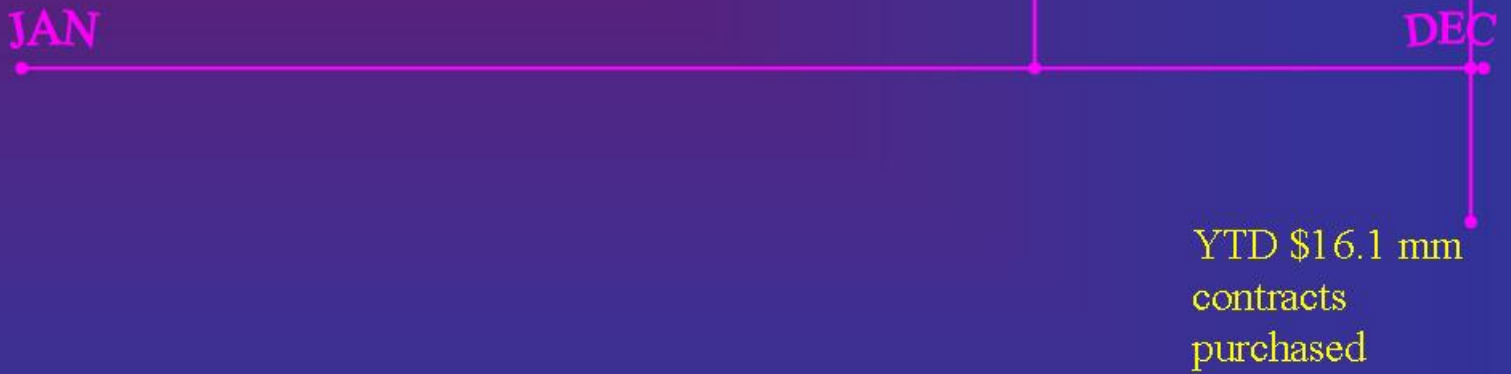
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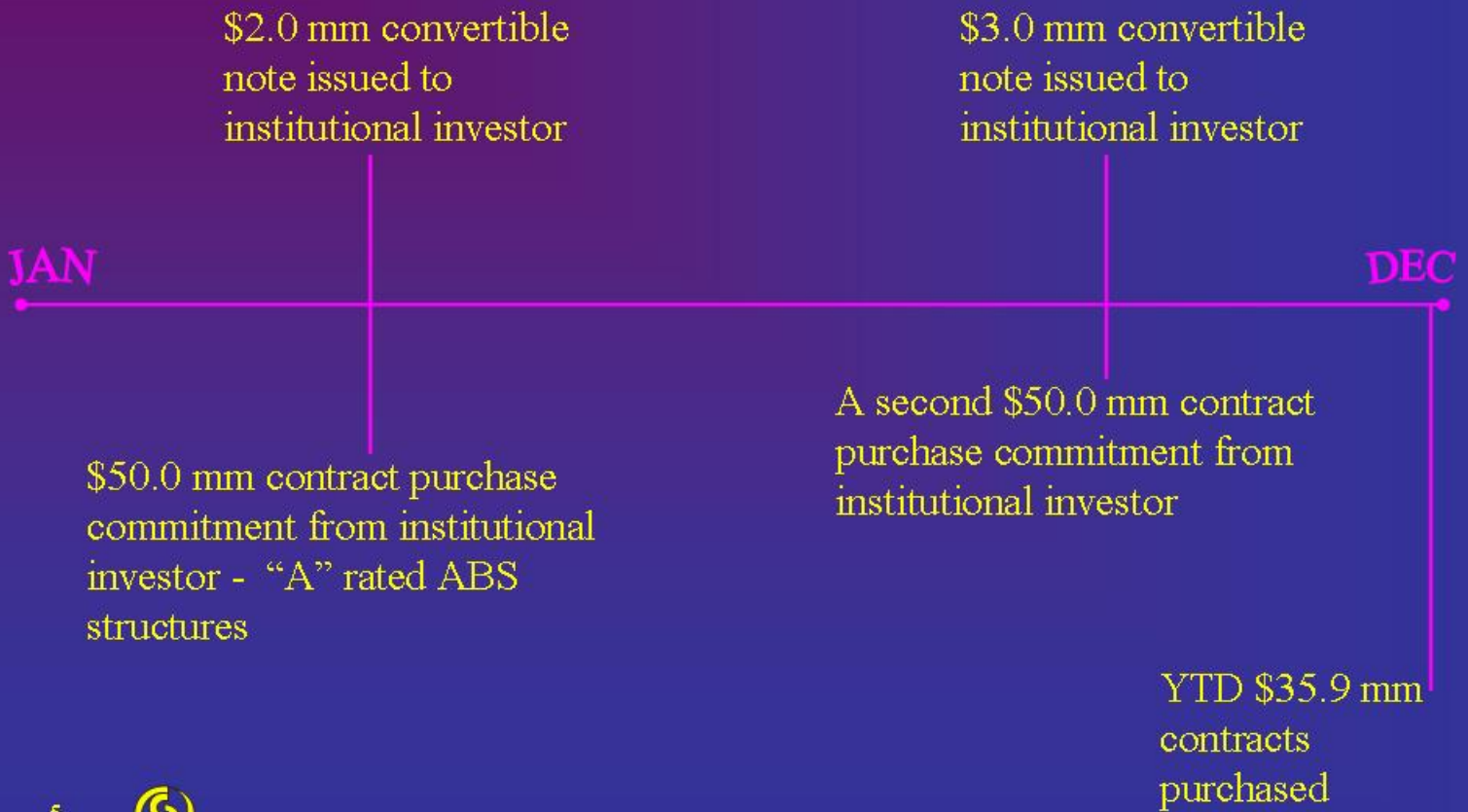
1991



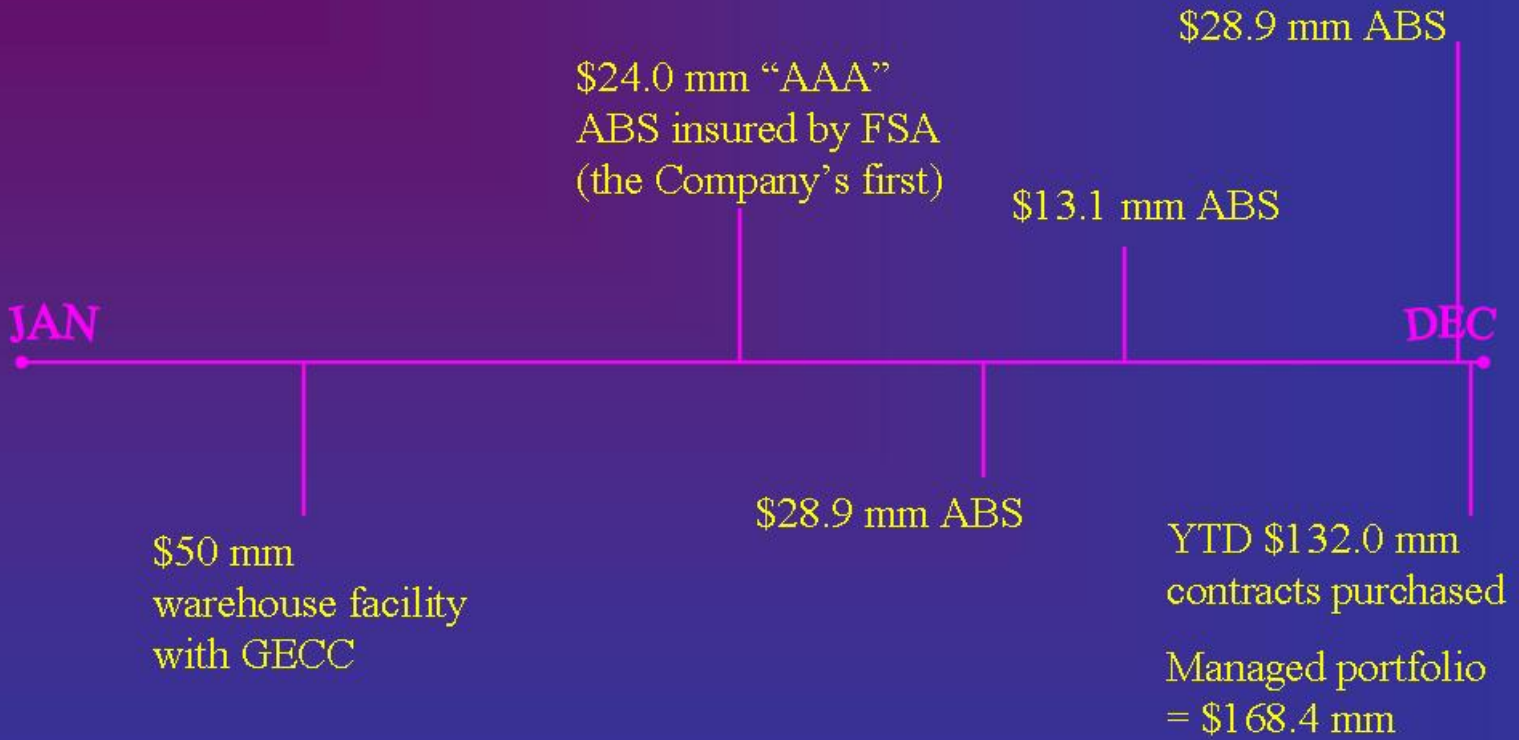
1992



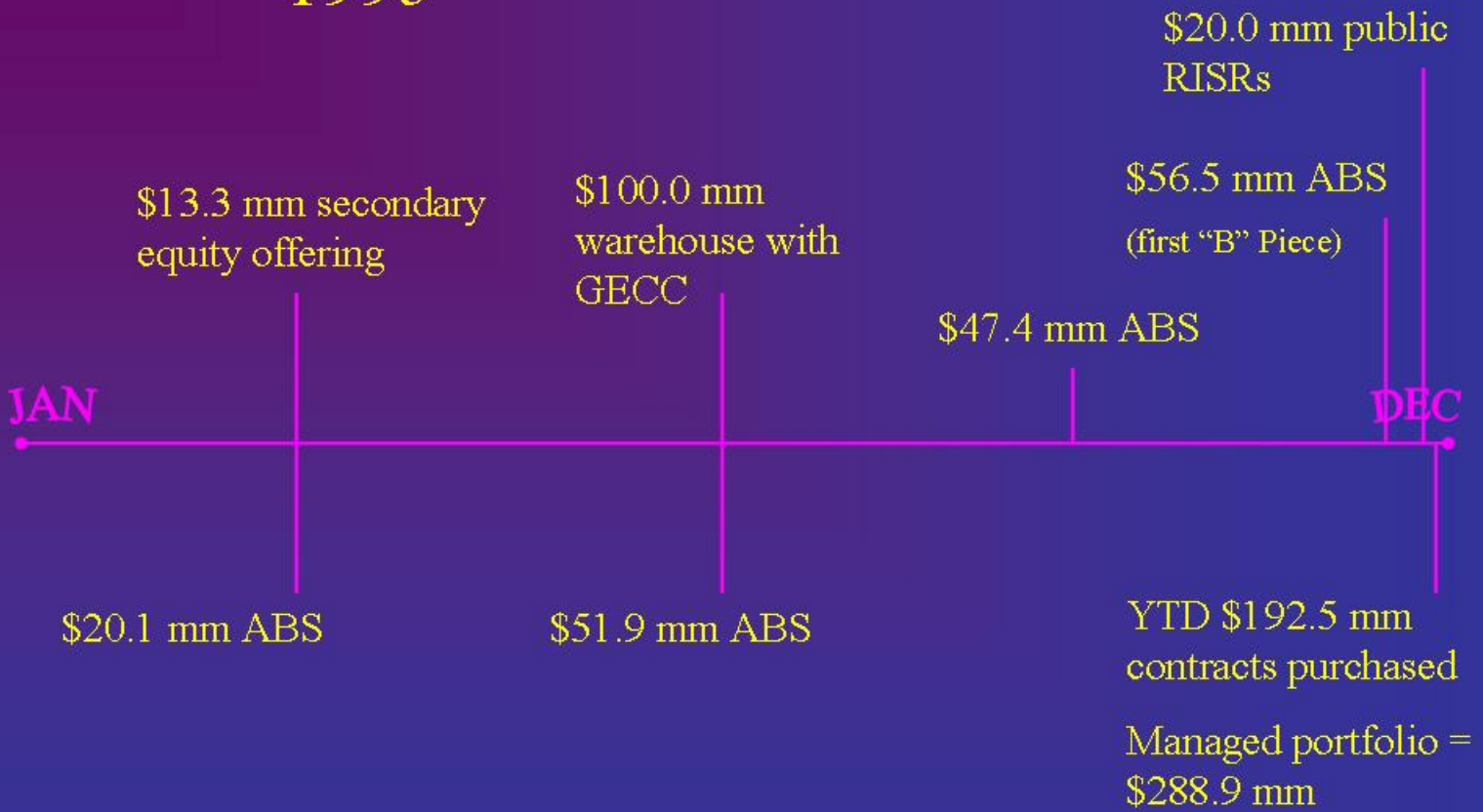
1993



1994



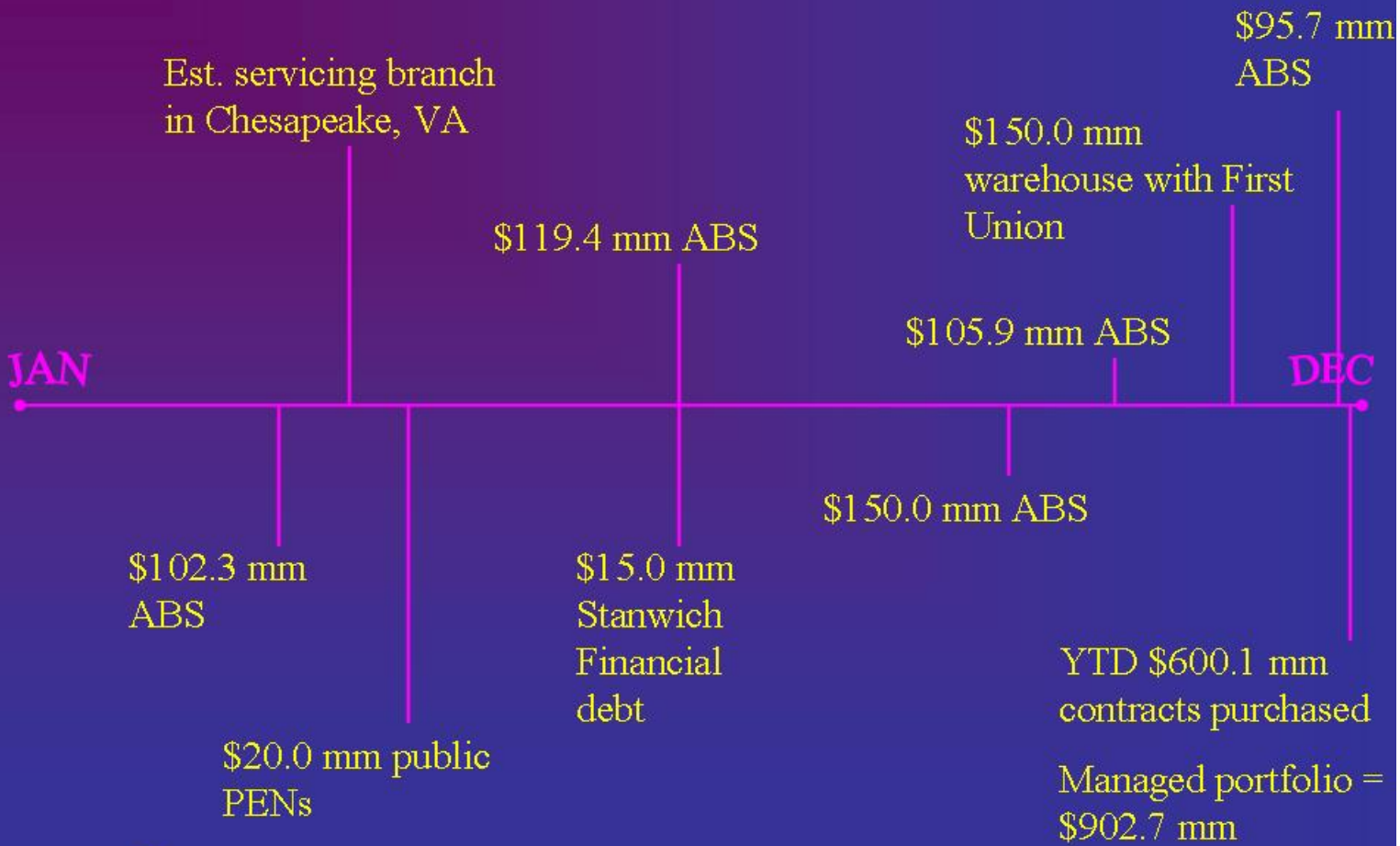
1995



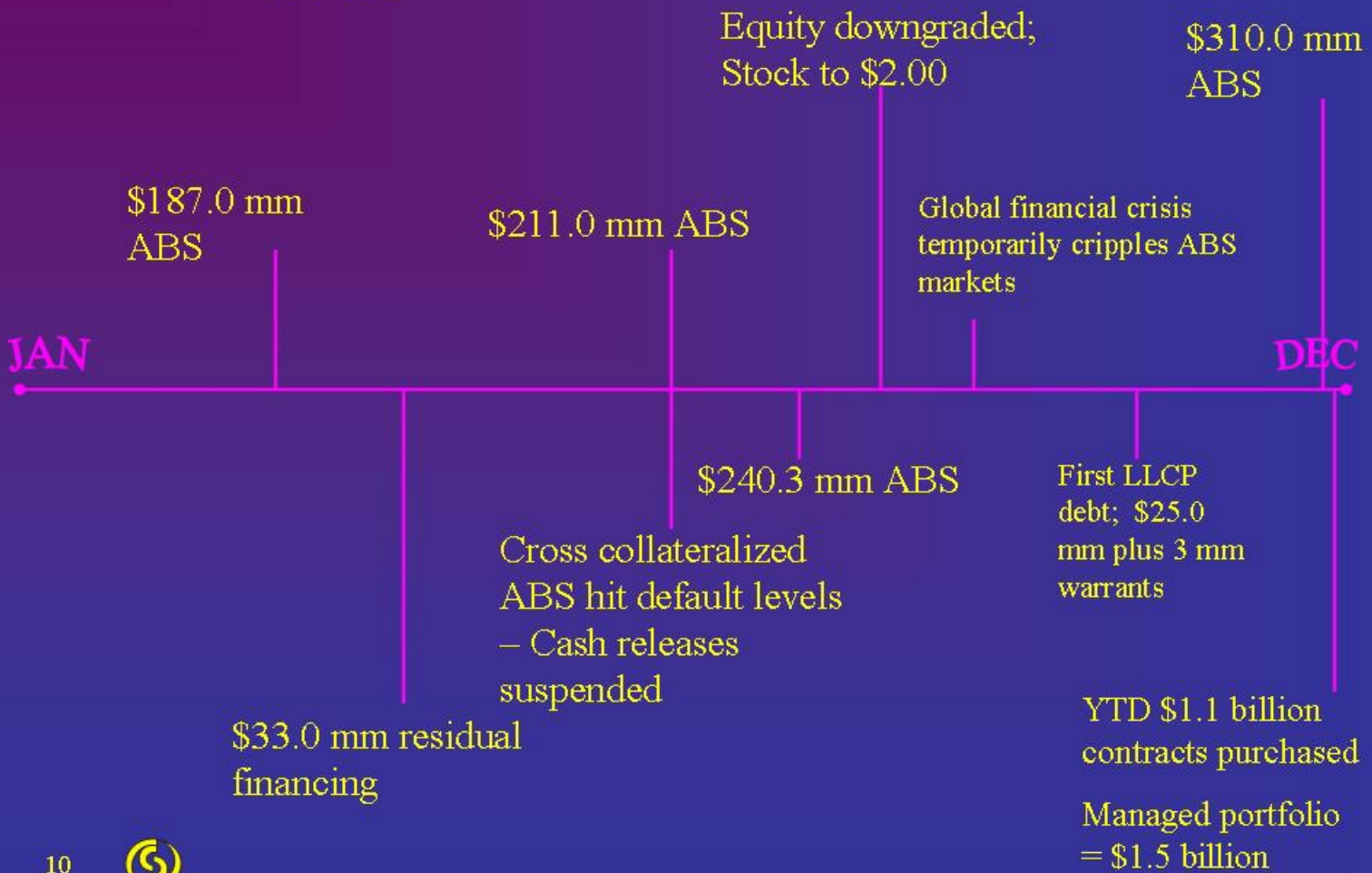
1996



1997



1998



1999

\$318.0 mm contract sale to GECC at discount; servicing released

YTD \$28.0 mm spread cash released

\$5.0 mm new LLCP debt; 1.3 mm warrants

FSA agrees to 21% enhancement on existing deals; ABS resume cash releases

JAN

DEC

Fairlane flow purchase program starts

GECC & First Union warehouse lines terminated

YTD \$424.4 mm contracts purchased

Managed portfolio = \$821.0 mm

Approx. \$420 mm sold, servicing released



2000

YTD \$81.0 mm
spread cash
released

\$16.0 mm new
LLCP debt

CPS named in Stanwich
Financial litigation

JAN

DEC

Nuvell flow
purchase
program
starts

Residual facility
paid off

\$75.0 mm warehouse
facility with Greenwich
& FSA

YTD \$607.0 mm contracts purchased

Managed portfolio = \$411.9 mm

Approx. \$600 mm sold, servicing
released



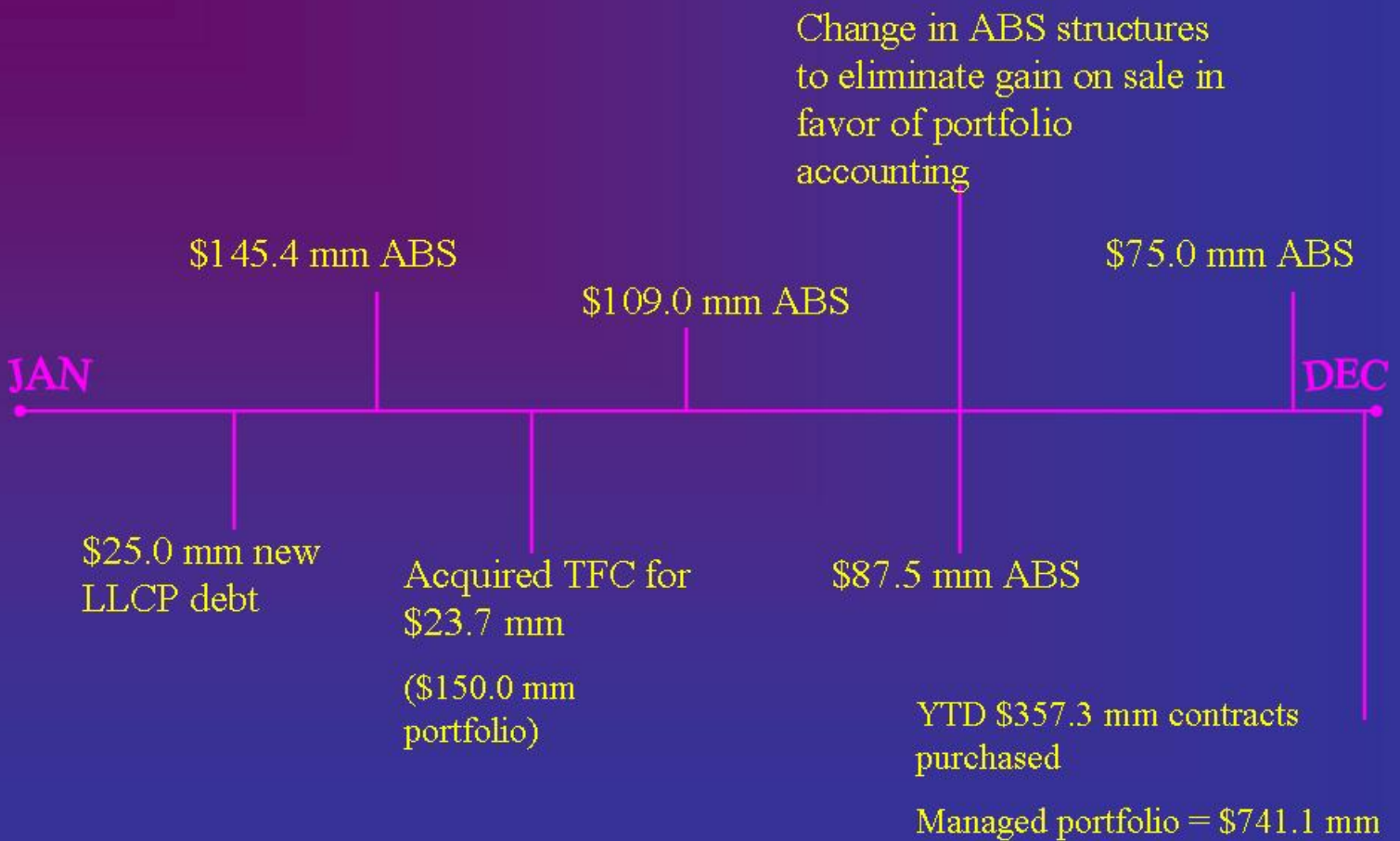
2001



2002



2003



2004



2005

First profitable quarter since change in ABS structures to portfolio accounting



Consumer Portfolio Services, Inc.

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