

UNITED STATES 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) February 28, 2006

CONSUMER PORTFOLIO SERVICES, INC.

(Exact Name of Registrant as Specified in Charter)

CALIFORNIA	001-14116	33-0459135
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(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)

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information in this Item 2.02, and the related Exhibit 99.1, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

On February 28, 2006, the registrant issued a news release announcing its earnings for the quarter and year ended December 31, 2005. A copy of the release is attached as Exhibit 99.1.

Exhibit 99.1 to the report may contain a "non-GAAP financial measure" as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended. The possible non-GAAP financial measure is "managed receivables." This possible non-GAAP financial measure is discussed below, including the most directly comparable financial measure calculated and presented in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"), a reconciliation of managed receivables to the most directly comparable GAAP financial measure, and the reasons why the Company believes the presentation of managed receivables provides useful information to management and to investors. Managed receivables should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

On page 1 of the earnings release included as Exhibit 99.1, the Company stated that managed receivables were \$1,121.7 million at December 31, 2005. The most directly comparable financial measure calculated and presented in accordance with GAAP to the managed receivables measure is finance receivables on the consolidated balance sheet. The managed receivables measure also includes (i) the finance receivables held by unconsolidated subsidiaries off balance sheet pursuant to statement on financial accounting standards No. 140, (ii) finance receivables serviced by the Company without any ownership interest, and (iii) repossessed vehicles included in other assets in the Company's balance sheet. In addition, the managed receivables measure includes allowance for credit losses, unearned origination fees, and certain other less significant adjustments.

The following table reconciles the Company's finance receivables, prepared on the basis of GAAP, to managed receivables as of December 31, 2005:

December 31, 2005
(in millions)

Net finance receivables per balance sheet	\$ 913.6
Allowance for finance receivables credit losses	57.7
Unearned origination fees	16.9
Finance receivables held by unconsolidated subsidiaries	103.1
Finance receivables serviced without ownership interest	18.0
Adjustment for discount and Rule 78s	1.3
Repossessed vehicles included in other assets on balance sheet	11.1
Other	-

	\$1,121.7
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The managed receivables measure is useful to management and investors because it facilitates comparisons between the Company and other finance companies that either do not securitize their receivables or, due to the structure of their securitization transactions, account for the securitizations of their receivables as sales. The managed receivables measure is primarily used by investors and analysts for that purpose.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

EXHIBIT NUMBER	DESCRIPTION
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99.1	News Release dated February 28, 2006

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: March 1, 2006

By: /s/ ROBERT E. RIEDL

Robert E. Riedl
Sr. Vice President and Chief
Financial Officer

Signing on behalf of the registrant
and as principal financial officer

EXHIBIT INDEX

EXHIBIT NUMBER

DESCRIPTION

99.1

News Release dated February 28, 2006

CONSUMER PORTFOLIO SERVICES, INC. REPORTS
2005 FOURTH QUARTER AND FULL-YEAR EARNINGS

IRVINE, CALIFORNIA, FEBRUARY 28, 2006 (BUSINESS WIRE) -- Consumer Portfolio Services, Inc. (Nasdaq: CPSS) today announced earnings for its fourth quarter and year ended December 31, 2005.

Net income for the quarter ended December 31, 2005 was \$1.7 million, or \$0.07 per diluted share, compared to net loss of \$(12.2) million, or \$(0.57) per diluted share, for the quarter ended December 31, 2004. For the three months ended December 31, 2005 total revenues increased approximately \$17.1 million, or 45.6%, to \$54.7 million, compared to \$37.6 million for the three months ended December 31, 2004. Total expenses for the three months ended December 31, 2005 were \$53.0 million, an increase of \$3.2 million, or 6.5%, as compared to \$49.8 million for the three months ended December 31, 2004. Expenses for the fourth quarter of 2004 included two significant non-cash charges totaling \$13.6 million, which were not incurred in the fourth quarter of 2005.

Net income for the year ended December 31, 2005 was \$3.4 million, or \$0.14 per diluted share, compared to net loss of \$(15.9) million, or \$(0.75) per diluted share, for the year ended December 31, 2004. For the year ended December 31, 2005 total revenues increased approximately \$61.0 million, or 46.0%, to \$193.7 million, compared to \$132.7 million for the year ended December 31, 2004. Total expenses for the year ended December 31, 2005 were \$190.3 million, an increase of \$41.7 million, or 28.1%, as compared to \$148.6 million for the year ended December 31, 2004.

"We are pleased with the financial results for the fourth quarter as we have continued our profitability which began in the second quarter of 2005," said Charles E. Bradley, President and Chief Executive Officer of Consumer Portfolio Services. "As we have discussed the last few quarters, we would expect to see continued profitability in the coming periods."

"With respect to operations, 2005 was a very good year for the Company as our growth initiatives have built momentum and our servicing platform has maintained solid asset performance. During the fourth quarter, purchases of new receivables remained strong although down slightly from the third quarter, which we expected given historical seasonal patterns. Delinquencies and net charge-offs for the fourth quarter remained well within seasonal ranges. We also had a busy quarter in the capital markets, completing two term securitizations and our second residual financing and entering into a new warehouse line."

During the fourth quarter of 2005, Consumer Portfolio Services purchased \$188.1 million of contracts from dealers as compared to \$205.0 million during the third quarter of 2005 and \$127.1 million during the fourth quarter 2004. For 2005, new contract purchases increased approximately 55% vs. 2004, increasing from \$447.2 million in 2004 to \$691.3 million in 2005. As of December 31, 2005, the Company's managed receivables totaled \$1,121.7 million, as follows (\$ in millions):

Owned by Consolidated Subsidiaries*	\$1,000.6
Owned by Non-Consolidated Subsidiaries	103.1
As Third Party Servicer for SeaWest Financial	18.0

Total	\$1,121.7

* Before \$87.0 million of allowance for credit losses and deferred acquisition fees.

The Company continued its regular quarterly securitization program with the December sale of \$127.6 million of AAA/Aaa rated asset backed notes. It also completed a second term securitization in December with a new bond insurer, Assured Guaranty Corporation, with the issuance of \$72.5 million of AAA/Aa1 rated asset backed notes. In addition, in November the Company entered into a new \$150 million warehouse facility and also completed a \$45.8 million residual financing, its second such transaction in two years.

As previously reported, in order to increase transparency of the Company's financial reports, in the third quarter of 2003 Consumer Portfolio Services began structuring its securitization transactions as secured financings, with receivables and associated debt remaining on the balance sheet, and without recognition of a gain on sale. Accordingly, net earnings are recognized over the life of the receivables as interest income and fee income, less related funding costs and a provision for losses. Such provisions for losses are recorded upon acquisition and during the life of the receivables.

CONFERENCE CALL

Consumer Portfolio Services announced that it will hold a conference call tomorrow, March 1, 2006, at 1:30 p.m. EDT to discuss its quarterly and full-year earnings. Those wishing to participate by telephone may dial-in at 973-409-9261 approximately 10 minutes prior to the scheduled time.

A replay will be available between March 1, 2006 and March 8, 2006, beginning one hour after conclusion of the call, by dialing 877-519-4471 or 973-341-3080 for international participants, with pin number 7091872. 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 consumer finance company that specializes in purchasing, selling and servicing retail automobile installment sale contracts originated by automobile dealers located throughout the United States. The Company is currently active in 47 states. Through its purchase of contracts, the Company provides indirect financing to car dealer customers with limited credit histories, low incomes or past credit problems, who are typically unable 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, AND ALSO INCLUDE THE STATEMENT THAT CONTINUED EARNINGS ARE EXPECTED. 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 EARNINGS, 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 GAIN ON SALE AND PROVISION FOR CREDIT LOSSES MAY AFFECT FUTURE PERFORMANCE.

INVESTOR RELATIONS CONTACT

Charles E. Bradley
Consumer Portfolio Services
949-753-6800

CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three months ended December 31,		Twelve months ended December 31,	
	2005	2004	2005	2004
REVENUES:				
Interest income	\$ 49,819	\$ 31,709	\$ 171,834	\$ 105,818
Servicing fees	1,156	2,616	6,647	12,480
Other income	3,739	3,243	15,216	14,394
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	54,714	37,568	193,697	132,692
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EXPENSES:				
Employee costs	10,727	8,822	40,384	38,173
General and administrative	6,407	6,074	23,095	21,293
Interest	15,827	10,347	51,669	32,147
Provision for credit losses	15,633	11,964	58,987	32,574
Impairment loss on residual asset	--	9,100	--	11,750
Other expenses	4,452	3,507	16,190	12,643
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	53,046	49,814	190,325	148,580
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Income (loss) before income taxes	1,668	(12,246)	3,372	(15,888)
Income taxes	--	--	--	--
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Net income (loss)	\$ 1,668	\$ (12,246)	\$ 3,372	\$ (15,888)
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Earnings (loss) per share:				
Basic	\$ 0.08	\$ (0.57)	\$ 0.16	\$ (0.75)
Diluted	0.07	(0.57)	0.14	(0.75)
Number of shares used in computing earnings (loss) per share:				
Basic	21,698	21,438	21,627	21,111
Diluted	23,835	21,438	23,513	21,111

CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)
(UNAUDITED)

	December 31, 2005	December 31, 2004
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Cash and restricted cash	\$ 175,451	\$ 139,479
Finance receivables, net	913,576	550,191
Residual interest in securitizations	25,220	50,430
Other assets	40,897	26,499
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	\$ 1,155,144	\$ 766,599
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Accounts payable and other liabilities	\$ 19,779	\$ 22,552
Warehouse lines of credit	35,350	34,279
Residual interest financing	43,745	22,204
Securitization trust debt	924,026	542,815
Senior secured debt	40,000	59,829
Subordinated debt	18,655	15,000
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	1,081,555	696,679
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Shareholders' equity	73,589	69,920
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	\$ 1,155,144	\$ 766,599
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