

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) April 18, 2022

**CONSUMER PORTFOLIO SERVICES, INC.**

(Exact Name of Registrant as Specified in Charter)

CALIFORNIA  
(State or Other Jurisdiction  
of Incorporation)

1-11416  
(Commission  
File Number)

33-0459135  
(IRS Employer  
Identification No.)

3800 Howard Hughes Pkwy, Suite 1400, Las Vegas, NV 89169  
(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 (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	CPSS	The Nasdaq Stock Market LLC (Global Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On April 18, 2022, the registrant announced its earnings for the three-month period ended March 31, 2022. A copy of the announcement is attached as an exhibit to this report. As noted in the release, the registrant will hold a conference call on Tuesday, April 19, 2022 at 1:00 p.m. ET to discuss its quarterly operating results. Those wishing to participate by telephone may dial-in at 877 312-5502 or 253 237-1131 approximately 10 minutes prior to the scheduled time. The conference identification number is 3771614.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

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

One exhibit is included with this report:

99.1 [News release re earnings.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

**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: April 18, 2022

By: /s/ Jeffrey P. Fritz  
Jeffrey P. Fritz  
Executive Vice President and Chief Financial Officer  
Signing on behalf of the registrant

**CPS ANNOUNCES FIRST QUARTER 2022 EARNINGS**

- § Pretax income of \$29.3 million, compared to \$7.9 million in the prior year period
- § Net income of \$21.1 million, or \$0.75 per diluted share
- § New contract purchases of \$410.0 million
- § Each of the above represent all-time quarterly records since our inception in 1991

**LAS VEGAS, NV, April 18, 2022 (GlobeNewswire)** -- Consumer Portfolio Services, Inc. (Nasdaq: CPSS) (“CPS” or the “Company”) today announced earnings of \$21.1 million, or \$0.75 per diluted share, for its first quarter ended March 31, 2022. This compares to net income of \$5.2 million, or \$0.21 diluted share, in the first quarter of 2021.

Revenues for the first quarter of 2022 were \$74.4 million, an increase of \$11.3 million, or 17.8%, compared to \$63.1 million for the first quarter of 2021. Total operating expenses for the first quarter of 2022 were \$45.0 million compared to \$55.2 million for the 2021 period for a decrease of \$10.1 million, or 18.4%. Pretax income for the first quarter of 2022 was \$29.3 million compared to pretax income of \$7.9 million in the first quarter of 2021, an increase of 269.2%.

During the first quarter of 2022, CPS purchased \$410.0 million of new contracts compared to \$328.0 million during the fourth quarter of 2021 and \$205.5 million during the first quarter of 2021. The Company’s receivables totaled \$2.324 billion as of March 31, 2022, an increase from \$2.209 billion as of December 31, 2021 and \$2.119 billion as of March 31, 2021.

Annualized net charge-offs for the first quarter of 2022 were 3.3% of the average portfolio as compared to 6.3% for the first quarter of 2021. Delinquencies greater than 30 days (including repossession inventory) were 8.52% of the total portfolio as of March 31, 2022, as compared to 7.77% as of March 31, 2021.

“I’m proud to report on the best quarterly results in the 31-year history of the Company”, said Charles E. Bradley, Jr., President and Chief Executive Officer. “Our first quarter originations volume was 25% greater than the fourth quarter of 2021 and approximately double the volume from the first quarter of 2021. We continue to see strong metrics in credit performance and are looking forward to the remainder of 2022.”

***Conference Call***

CPS announced that it will hold a conference call on Tuesday, April 19, at 1:00 p.m. ET to discuss its quarterly operating results. Those wishing to participate by telephone may dial-in at 877 312-5502 or 253 237-1131 approximately 10 minutes prior to the scheduled time. The conference identification number is 3771614.

A replay of the conference call will be available between April 19 and April 26, beginning two hours after conclusion of the call, by dialing 855 859-2056 or 404 537-3406 for international participants, with conference identification number 3771614. A broadcast of the conference call will also be available live and for 90 days after the call via the Company’s web site at [www.consumerportfolio.com](http://www.consumerportfolio.com).

### ***About Consumer Portfolio Services, Inc.***

Consumer Portfolio Services, Inc. is an independent specialty finance company that provides indirect automobile financing to individuals with past credit problems, low incomes or limited credit histories. We purchase retail installment sales contracts primarily from franchised automobile dealerships secured by late model used vehicles and, to a lesser extent, new vehicles. We fund these contract purchases on a long-term basis primarily through the securitization markets and service the contracts over their lives.

*Forward-looking statements in this news release include the Company's recorded figures representing allowances for remaining expected lifetime credit losses, its pandemic-related markdown of carrying value for the portion of its portfolio accounted for at fair value, its pandemic-related charge to the provision for credit losses for the its legacy portfolio, its estimates of fair value (most significantly for its receivables accounted for at fair value), its provision for credit losses, its entries offsetting the preceding, and figures derived from any of the preceding. In each case, such figures are forward-looking statements because they are dependent on the Company's estimates of losses to be incurred in the future. The accuracy of such estimates may be adversely affected by various factors, which include (in addition to risks relating to the COVID-19 pandemic and 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, 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. The accuracy of such estimates may also be affected by the effects of the COVID-19 pandemic and of governmental responses to said pandemic, which have included prohibitions on certain means of enforcement of receivables, and may include additional restrictions, as yet unknown, in the future. Any or 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 losses to be incurred in the future may affect future performance.*

### ***Investor Relations Contact***

Jeffrey P. Fritz, Chief Financial Officer  
844 878-2777

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

	Three months ended March 31,	
	2022	2021
<b>Revenues:</b>		
Interest income	\$ 70,060	\$ 66,093
Mark to finance receivables measured at fair value	2,400	(4,417)
Other income	1,906	1,436
	<u>74,366</u>	<u>63,112</u>
<b>Expenses:</b>		
Employee costs	22,152	20,159
General and administrative	8,231	7,748
Interest	16,400	20,946
Provision for credit losses	(9,400)	–
Other expenses	7,655	6,315
	<u>45,038</u>	<u>55,168</u>
Income before income taxes	29,328	7,944
Income tax expense	8,213	2,780
Net income	<u>\$ 21,115</u>	<u>\$ 5,164</u>
<b>Earnings per share:</b>		
Basic	\$ 0.99	\$ 0.23
Diluted	\$ 0.75	\$ 0.21
<b>Number of shares used in computing earnings per share:</b>		
Basic	21,221	22,741
Diluted	28,197	24,967

**Condensed Consolidated Balance Sheets**  
**(In thousands)**  
**(Unaudited)**

	March 31, 2022	December 31, 2021
<b>Assets:</b>		
Cash and cash equivalents	\$ 21,726	\$ 29,928
Restricted cash and equivalents	164,550	146,620
Finance receivables measured at fair value	1,903,857	1,749,098
Finance receivables	186,745	232,390
Allowance for finance credit losses	(45,001)	(56,206)
Finance receivables, net	141,744	176,184
Deferred tax assets, net	18,913	19,575
Other assets	26,760	38,173
	<u>\$ 2,277,550</u>	<u>\$ 2,159,578</u>
<b>Liabilities and Shareholders' Equity:</b>		
Accounts payable and accrued expenses	\$ 56,988	\$ 43,648
Warehouse lines of credit	147,026	105,610
Residual interest financing	49,434	53,682
Securitization trust debt	1,813,478	1,759,972
Subordinated renewable notes	26,756	26,459
	<u>2,093,682</u>	<u>1,989,371</u>
Shareholders' equity	183,868	170,207
	<u>\$ 2,277,550</u>	<u>\$ 2,159,578</u>

Operating and Performance Data (\$ in millions)

	At and for the Three months ended March 31,		
	2022	2021	
Contracts purchased	\$ 409.96	\$ 205.48	
Contracts securitized	330.00	245.00	
Total portfolio balance	\$ 2,324.35	\$ 2,119.07	
Average portfolio balance	2,273.48	2,138.66	
Allowance for finance credit losses as % of fin. receivables	24.10%	17.88%	
Aggregate allowance as % of fin. receivables (1)	24.50%	19.06%	
Delinquencies			
	31+ Days	7.39%	6.34%
	Repossession Inventory	1.13%	1.43%
	Total Delinquencies and Repo. Inventory	8.52%	7.77%
Annualized Net Charge-offs as % of Average Portfolio			
	Legacy portfolio	0.84%	12.63%
	Fair Value portfolio	3.53%	4.61%
	Total portfolio	3.29%	6.30%
Recovery rates (2)	61.4%	43.3%	

	For the Three months ended March 31,			
	2022		2021	
	\$ (3)	%(4)	\$ (3)	%(4)
Interest income	\$ 70.06	12.3%	\$ 66.09	12.4%
Mark to finance receivables measured at fair value	2.40	0.4%	(4.42)	-0.8%
Other income	1.91	0.3%	1.44	0.3%
Interest expense	(16.40)	-2.9%	(20.95)	-3.9%
Net interest margin	57.97	10.2%	42.17	7.9%
Provision for credit losses	9.40	1.7%	–	0.0%
Risk adjusted margin	67.37	11.9%	42.17	7.9%
Core operating expenses	(38.04)	-6.7%	(34.22)	-6.4%
Pre-tax income	\$ 29.33	5.2%	\$ 7.94	1.5%

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

(2) Wholesale auction liquidation amounts (net of expenses) as a percentage of the account balance at the time of sale.

(3) Numbers may not add due to rounding.

(4) Annualized percentage of the average portfolio balance. Percentages may not add due to rounding.