

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) October 11, 2005

**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. CPS is not undertaking to update these materials. This report should not be deemed an admission as to the materiality of 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

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**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: October 11, 2005

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

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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

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# 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.

In particular, any person considering an investment in Redeemable Subordinated Notes issued by CPS must review the prospectus, and supplements thereto, filed by CPS with respect to the offering of such notes. Such prospectus is included in a registration statement filed May 20, 2005 (at <http://www.sec.gov/Archives/edgar/data/889609/000101968705001454/0001019687-05-001454-index.htm>) and such supplements have been filed from time to time thereafter, under Rule 424(b)(4). The most recent such supplement, as of September 27, 2005, may be found at <http://www.sec.gov/Archives/edgar/data/889609/000101968705002682/0001019687-05-002682-index.htm>.



## Consumer Portfolio Services, Inc.

- ✓ Specialty finance company focused on sub-prime auto market
- ✓ Established in 1991; IPO in 1992
- ✓ Through June 30, 2005, over \$5.7 billion in contract purchases from auto dealers





## Consumer Portfolio Services, Inc.

- ✓ As of June 30, 2005, managed portfolio of approximately \$1.0 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

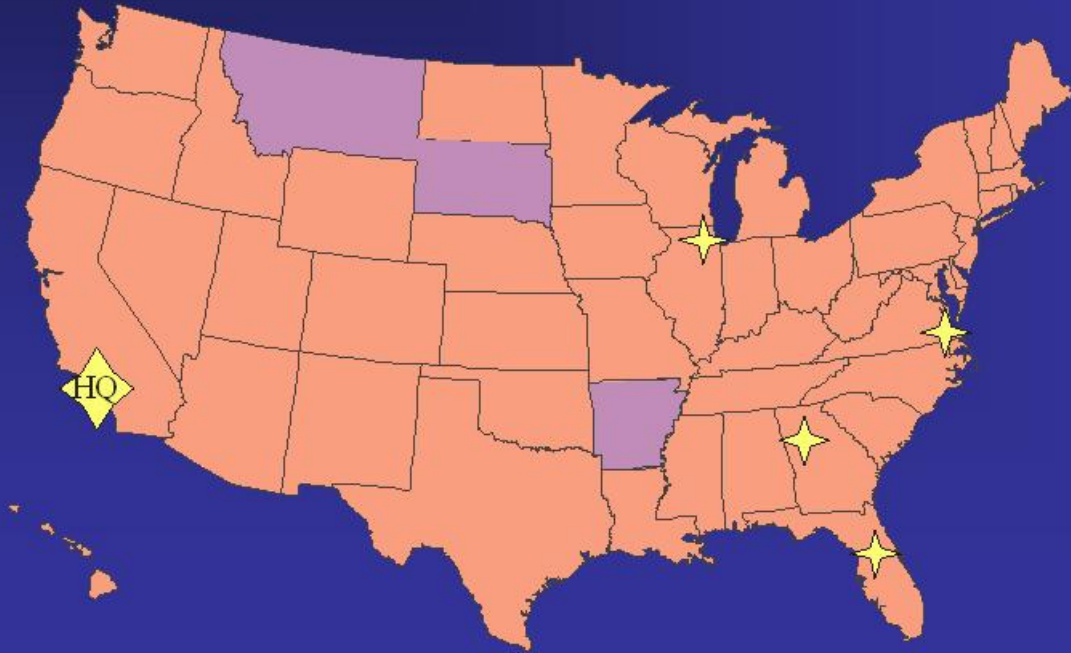
- ✓ AmeriCredit
- ✓ Capital One
- ✓ Triad
- ✓ HSBC/Household
- ✓ CitiFinancial
- ✓ Wells Fargo
- ✓ Manufacturers' Captives
- ✓ Regional Financial Inst.
- ✓ Regional Independents



# The CPS Landscape

*as of June 30, 2005*

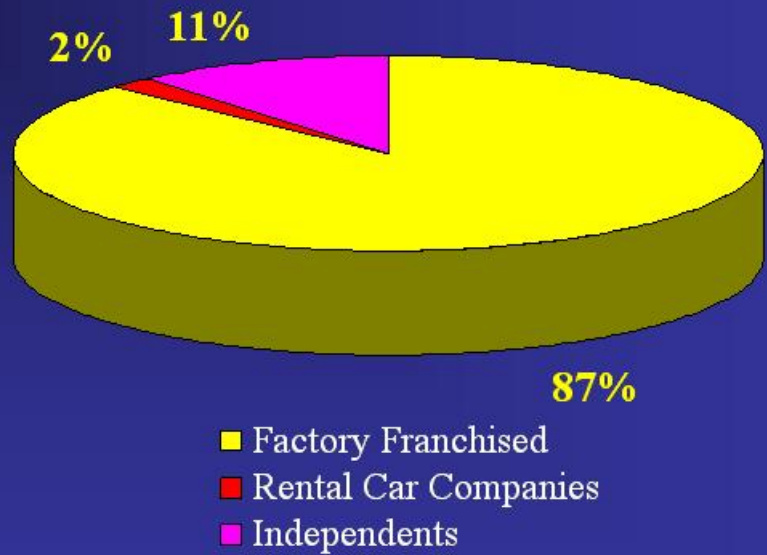
- ✓ Contracts with 6,075 dealers in 46 states ■
- ✓ 61 employee marketing reps in field
- ✓ West coast headquarters and four strategically located servicing branches ✦



# The CPS Landscape

Contract Purchases  
January through June  
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 June 2005*

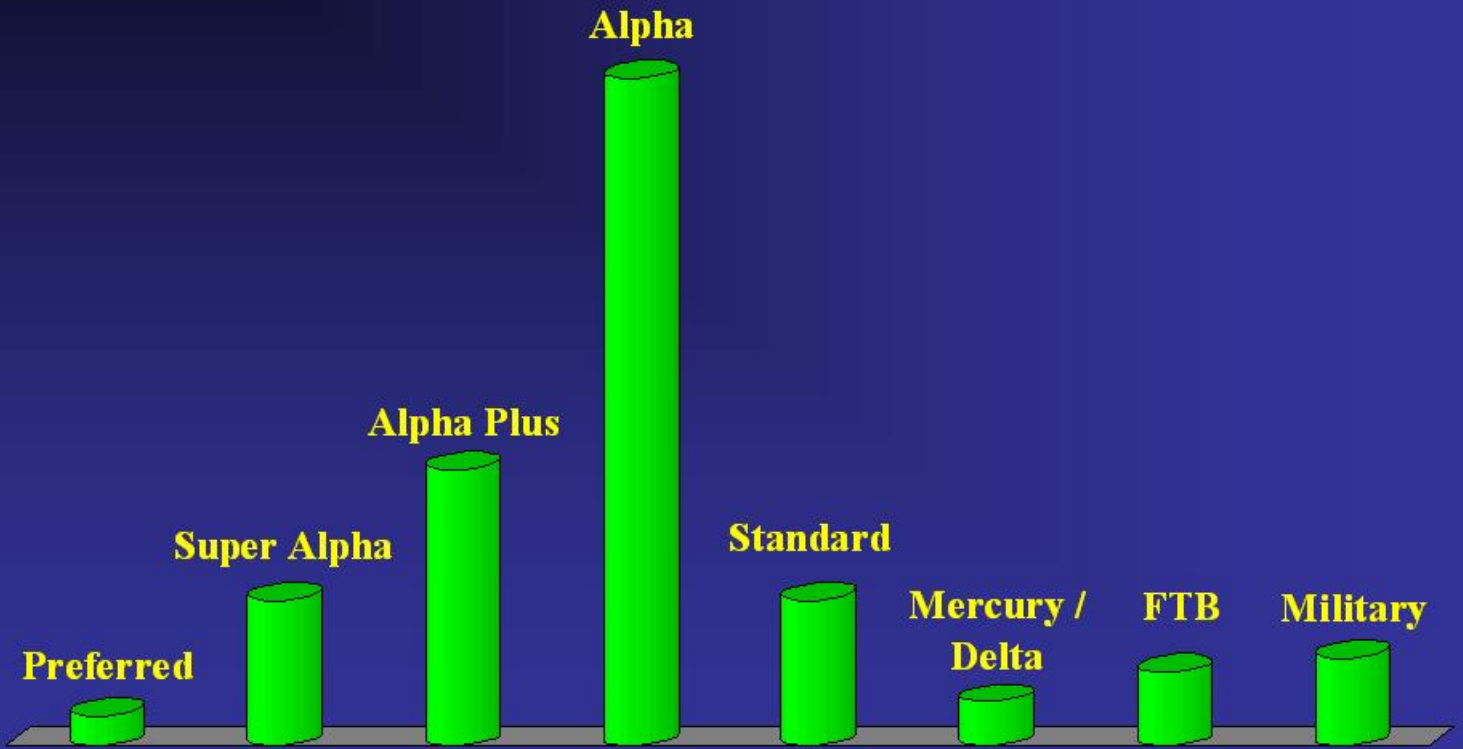
Program	Avg Yield % (1)	Avg Amount Financed \$	Avg FICO
Preferred	12.4	20,135	606
Super Alpha	15.4	18,723	523
Alpha Plus	16.8	16,918	528
Alpha	19.2	14,371	517
Standard	23.2	11,873	527
Mercury / Delta	26.4	11,517	517
First Time Buyer	28.0	10,549	n/a



(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

- 17% New
- 83% Pre-owned



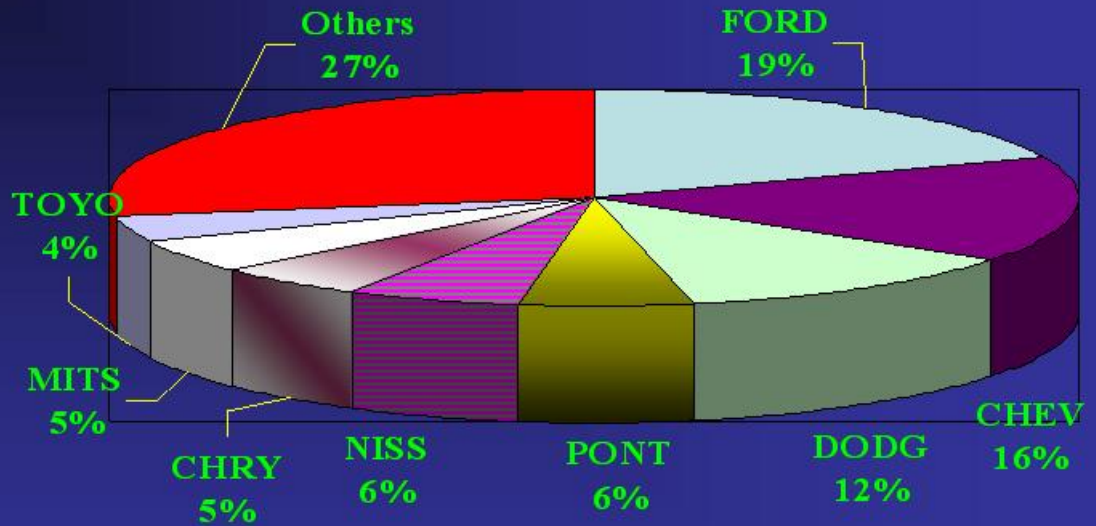


# The CPS Landscape

✓ Affordable, basic transportation vehicles

✓ Average vehicle sales price of \$14,797

✓ Average monthly payment of \$367 for 61 months



*New contract acquisitions January through June 2005*



# The CPS Landscape

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

Average age	37 years
Average time in job	5 years
Average time in residence	5 years
Average household income	\$38,292 per year
Percentage of homeowners	21%



# Contract Originations

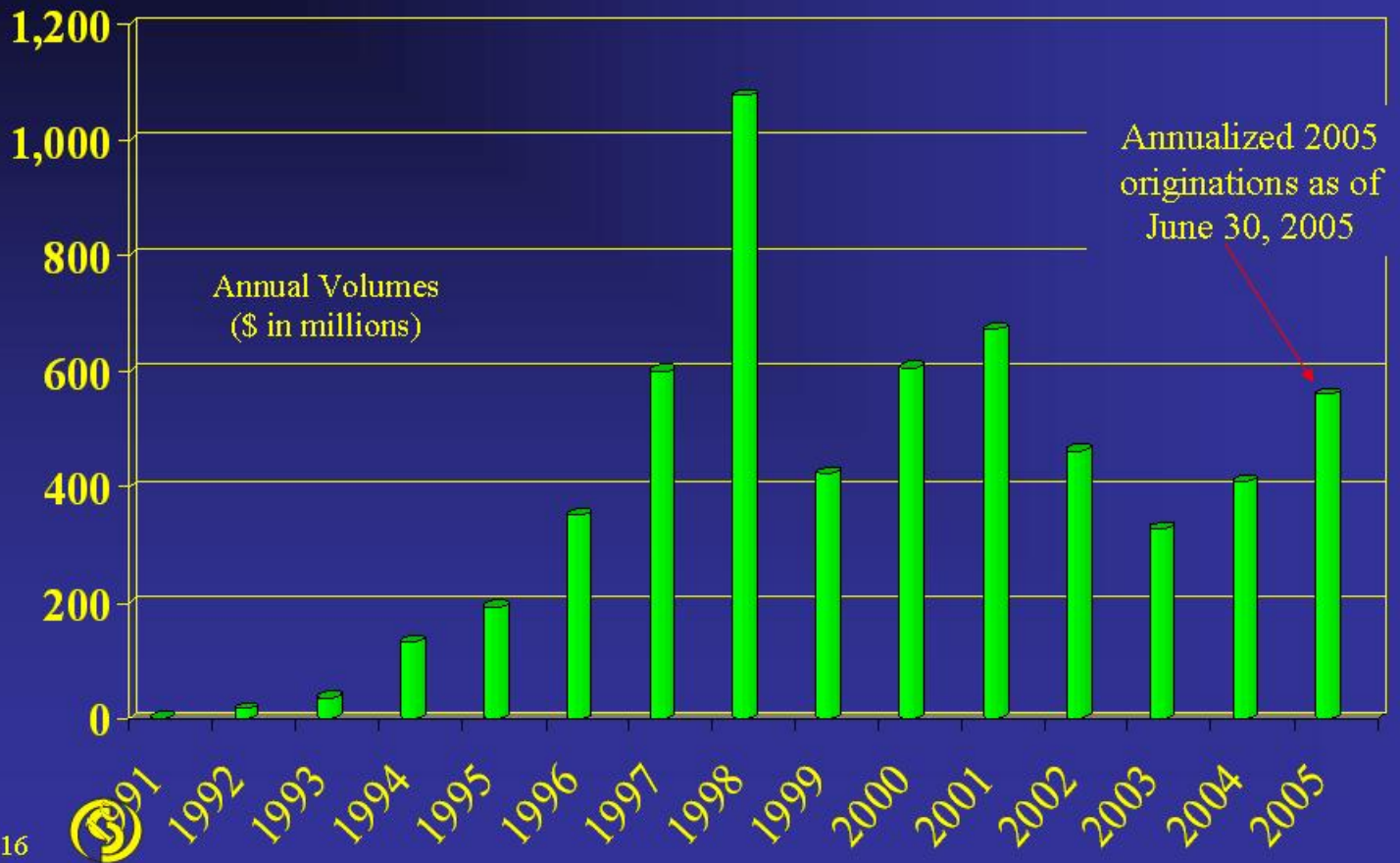
- ✓ Centralized contract originations at Irvine HQ
  - Maximizes control and efficiencies
  
- ✓ Proprietary auto-decisioning system
  - Makes initial credit decision on approximately 70% of incoming applications
  - Enhances dealer service by shortening response time
  
- ✓ Pre-funding verification 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 \$5.7 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"> <li>✓\$380 million portfolio</li> <li>✓\$17.4 million negative goodwill</li> </ul>
THE Finance Company	May 2003 \$23.7 million	<ul style="list-style-type: none"> <li>✓\$150 million portfolio</li> <li>✓CPS maintains presence in TFC military niche</li> </ul>
SeaWest Financial Corp. (Purchase of certain assets only)	April 2004 \$63.2 million	<ul style="list-style-type: none"> <li>✓\$75 million portfolio acquired</li> <li>✓Servicing for additional \$100 million</li> </ul>





# Portfolio Financing

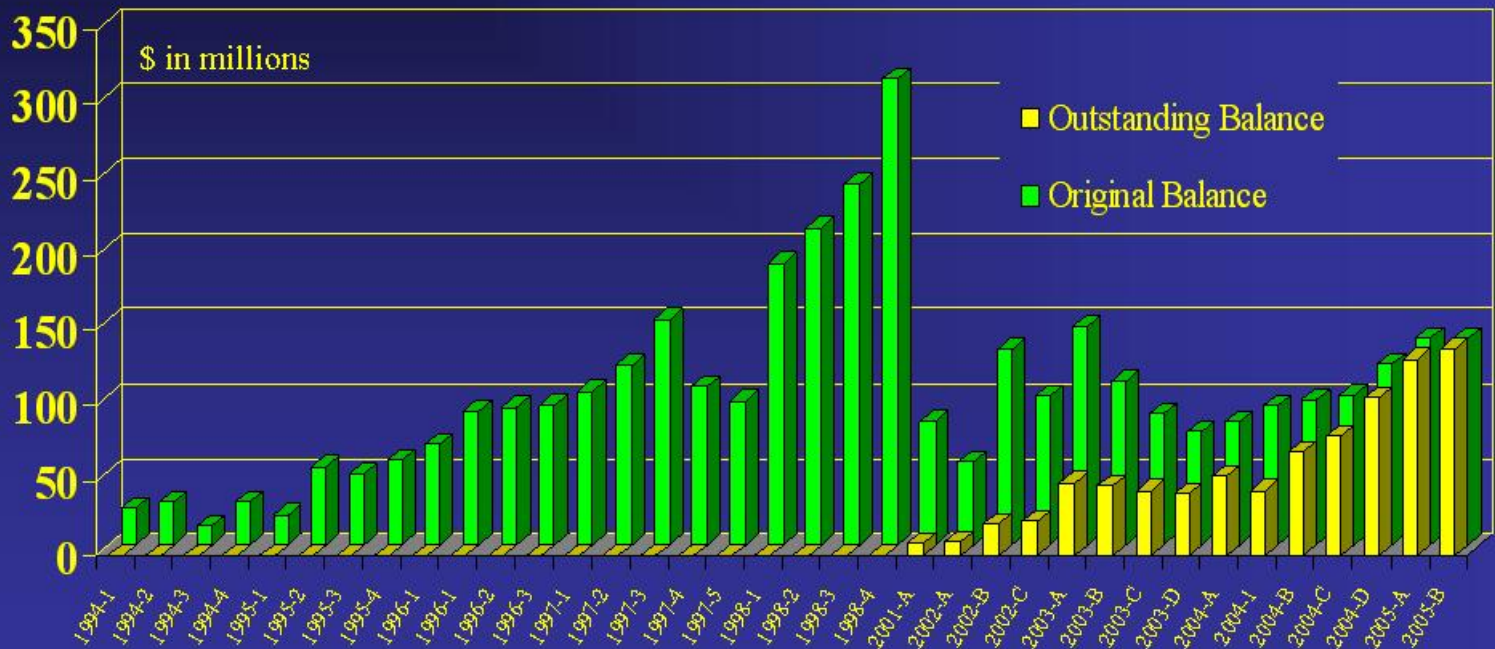
- ✓ \$200 million short-term warehouse facility
- ✓ Quarterly “AAA” rated asset-backed securities provide long-term matched funding
- ✓ Use of multiple bond insurers enhances liquidity and structural flexibility
- ✓ Sale of subordinated tranches increases liquidity



# Portfolio Financing

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

*Through Q2 2005: 37 deals aggregating over \$3.8 billion*



# Other Financing

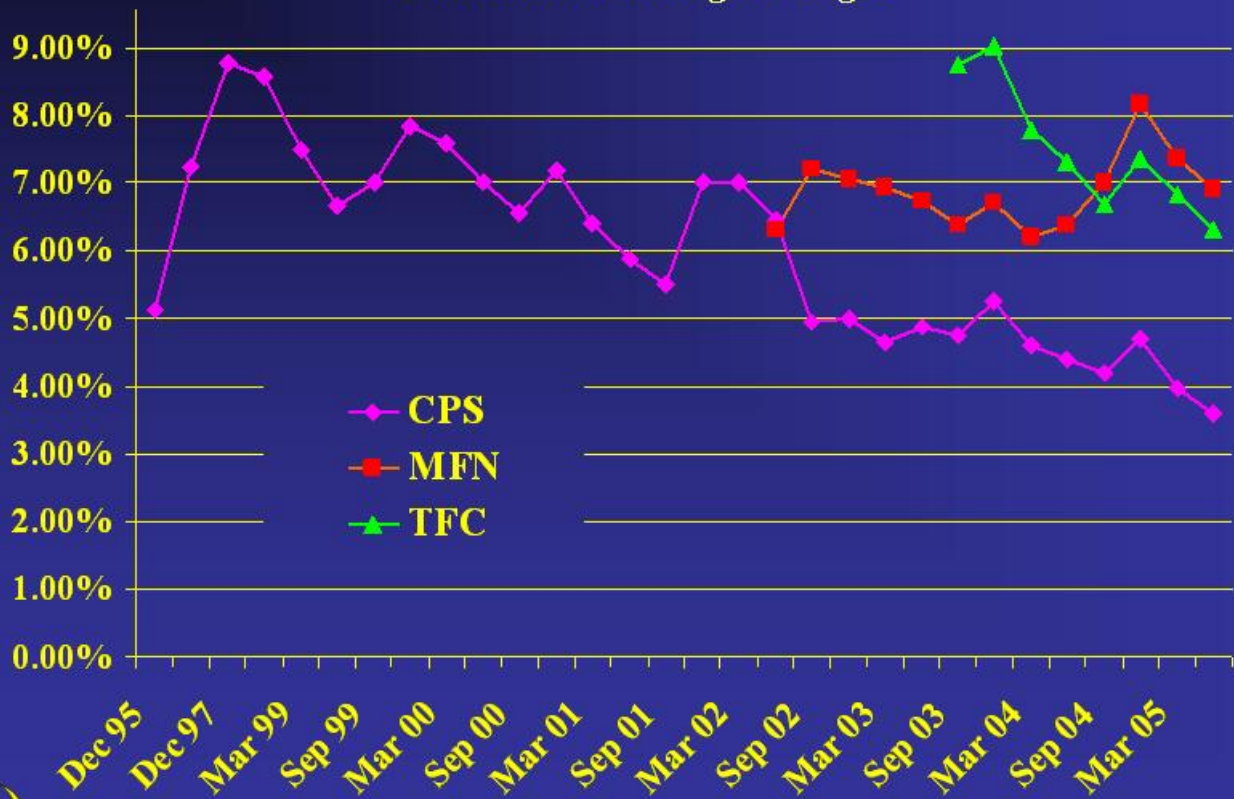
*(\$ in thousands)*

<u>Outstanding at June 30, 2005</u>	<u>Source</u>	<u>Terms</u>	<u>Comments</u>
\$12,031 (since paid)	“BBB” rated “NIM” transaction	10.0% Amortizing with related ABS	2004 original balance of \$44,000
\$59,829	Senior Debt – Affiliate of Levine Leichtman	11.75% 2005 and 2006 maturities	A lender to CPS since 1998
\$14,000	Sub. Debt – RISRs	12.5% Maturing 2006	Publicly issued notes from 1996
\$1,000	Sub. Debt – Renewable Notes	Wtd rate 7.7% Wtd orig term 27 months	Shelf registration effective May 2005



# Asset Performance

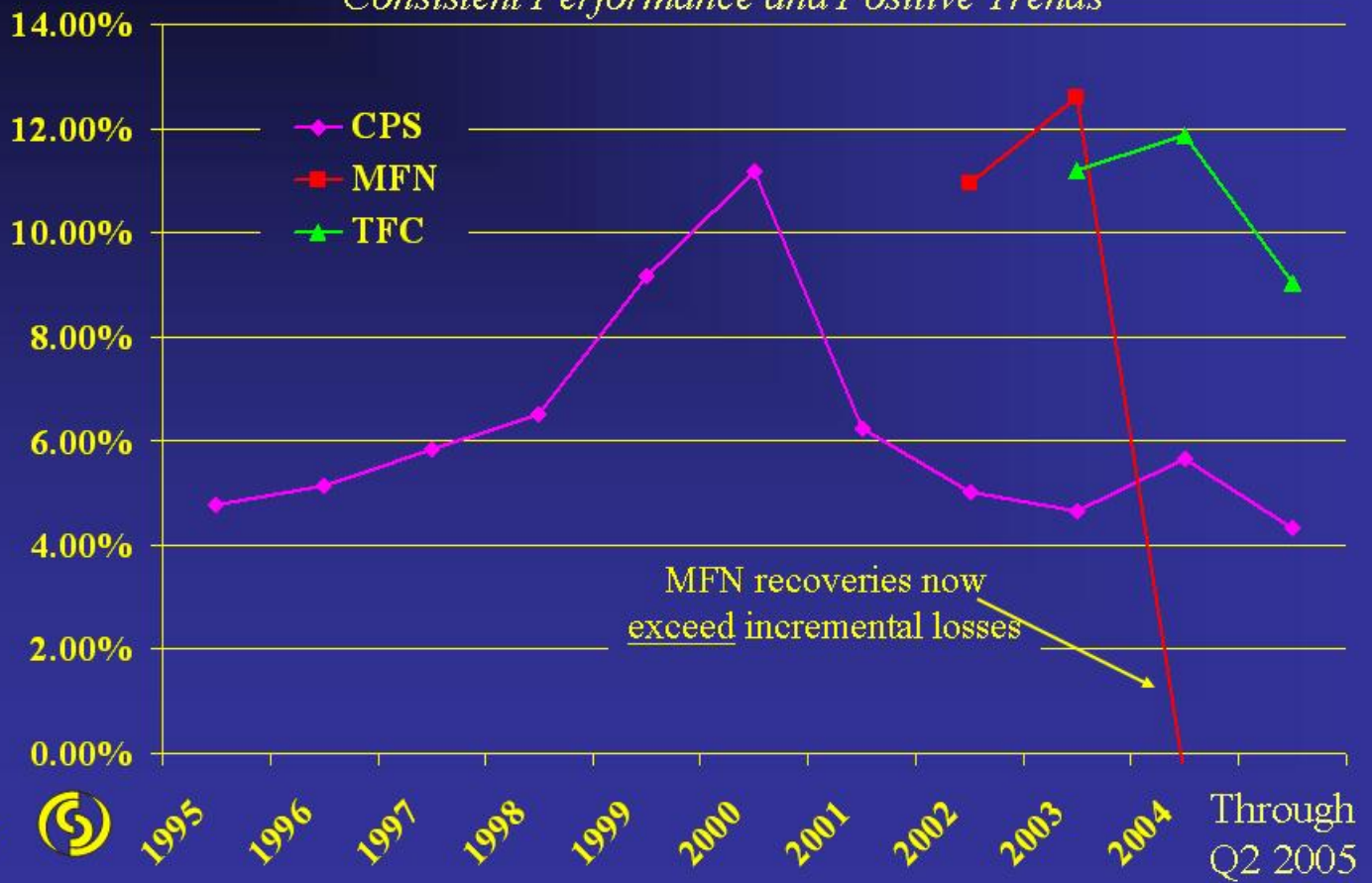
Receivables and Repo Inventory 30 Plus Days Past Due  
*Three month rolling averages*



# Asset Performance

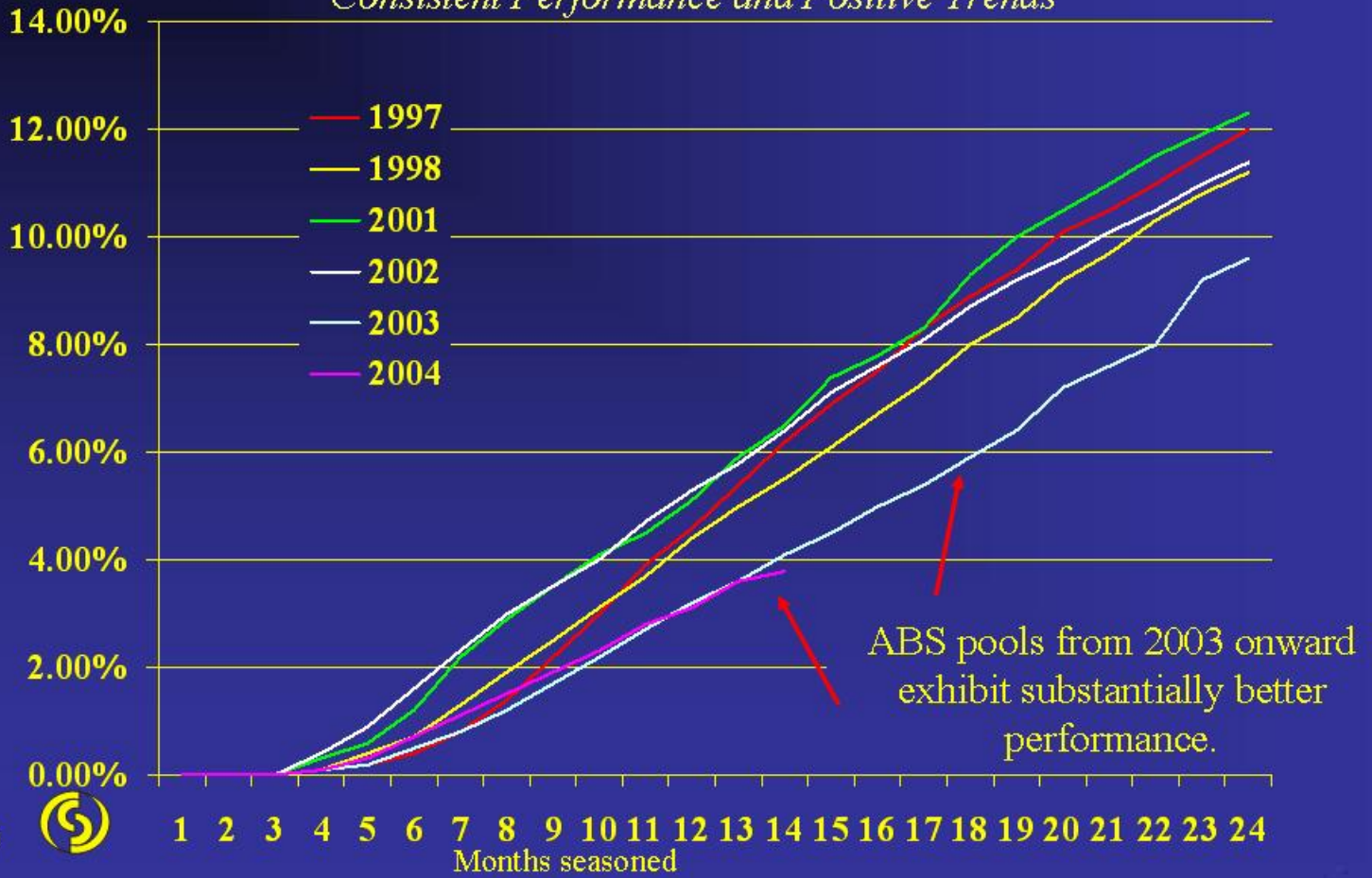
## Average Annual Net Credit Losses

*Consistent Performance and Positive Trends*



# Asset Performance

Average ABS Pool Cumulative Net Credit Losses as of June 30, 2005  
*Consistent Performance and Positive Trends*



# Summary Balance Sheets

(\$ in thousands)

	<u>June 30, 2005</u>	<u>December 31, 2004</u>	<u>December 31, 2003</u>
<u>Assets</u>			
Cash	\$ 15,671	\$ 14,366	\$ 33,209
Restricted Cash	139,630	125,113	67,277
Finance receivables, net of allowance	693,847	550,191	266,189
Residual interest in securitizations	38,053	50,430	111,702
Other Assets	26,240	26,499	14,093
	<u>\$ 913,441</u>	<u>\$ 766,599</u>	<u>\$ 492,470</u>
<u>Liabilities</u>			
Accounts payable and other liabilities	\$ 18,611	\$ 22,552	\$ 29,018
Warehouse lines of credit	45,315	34,279	33,709
Residual interest financing	12,031	22,204	0
Securitization trust debt	692,020	542,815	245,118
Other debt	75,094	74,829	102,465
	<u>843,071</u>	<u>696,679</u>	<u>410,310</u>
Shareholders' equity	70,370	69,920	82,160
	<u>\$ 843,071</u>	<u>\$ 766,599</u>	<u>\$ 492,470</u>



# Summary Statements of Operations

(\$ in thousands)

	<u>Six Months Ended</u>		<u>Year Ended</u>	
	June 30, 2005	June 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	76,694	46,145	105,818	58,164
Servicing fees	4,060	6,831	12,480	17,058
Other income	8,856	7,233	14,394	19,343
	89,610	60,209	132,692	104,986
<u>Expenses</u>				
Employee costs	20,151	19,447	38,173	37,141
General and administrative	19,285	15,881	30,939	31,581
Interest	22,332	13,412	32,147	23,861
Impairment on residual	0	0	11,750	4,052
Provision for credit losses	27,536	13,050	32,574	11,390
	89,304	61,790	148,580	108,025
Income (loss)	306	(1,581)	(15,888)	(3,039)
Tax benefit	0	0	0	(3,434)
Net income (loss)	\$ 306	\$ (1,581)	\$ (15,888)	\$ 395





# 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 – June 2005 quarter profitable for the first time 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

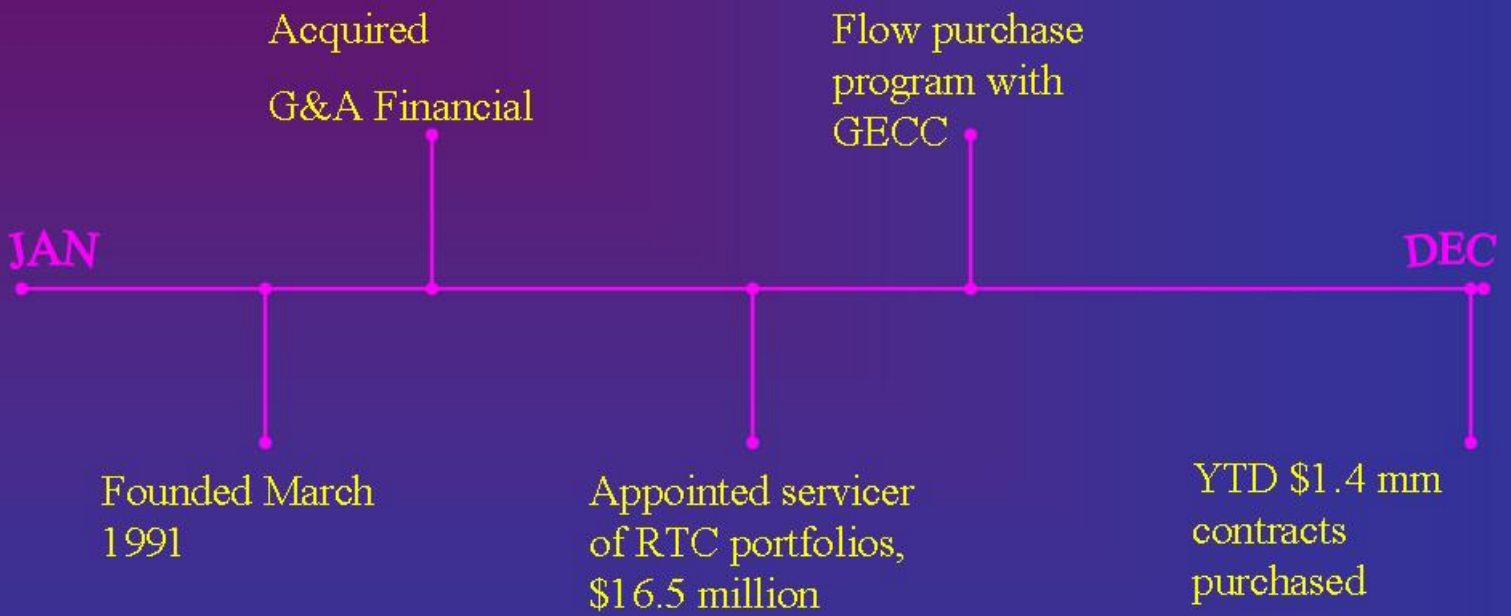


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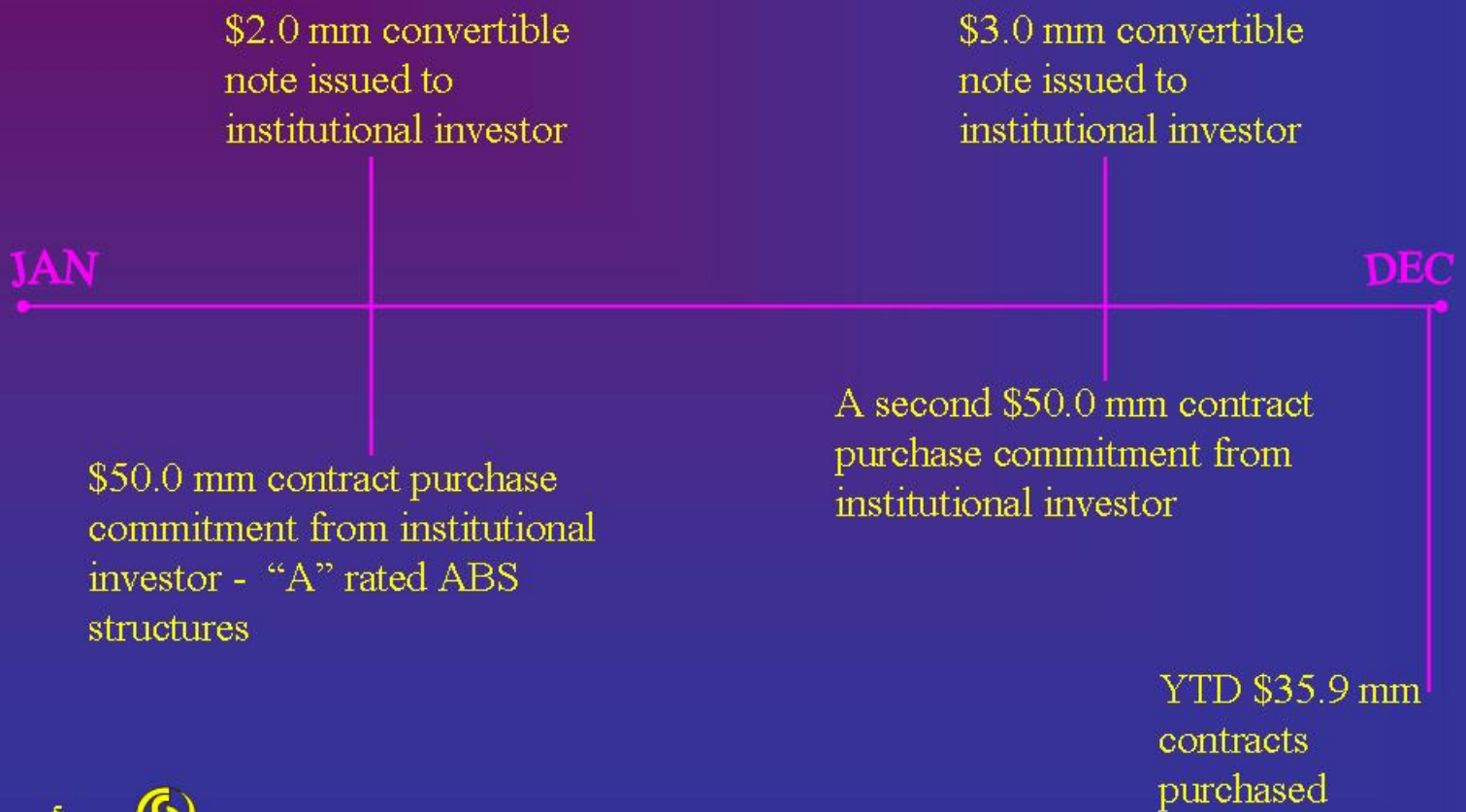
# 1991



1992

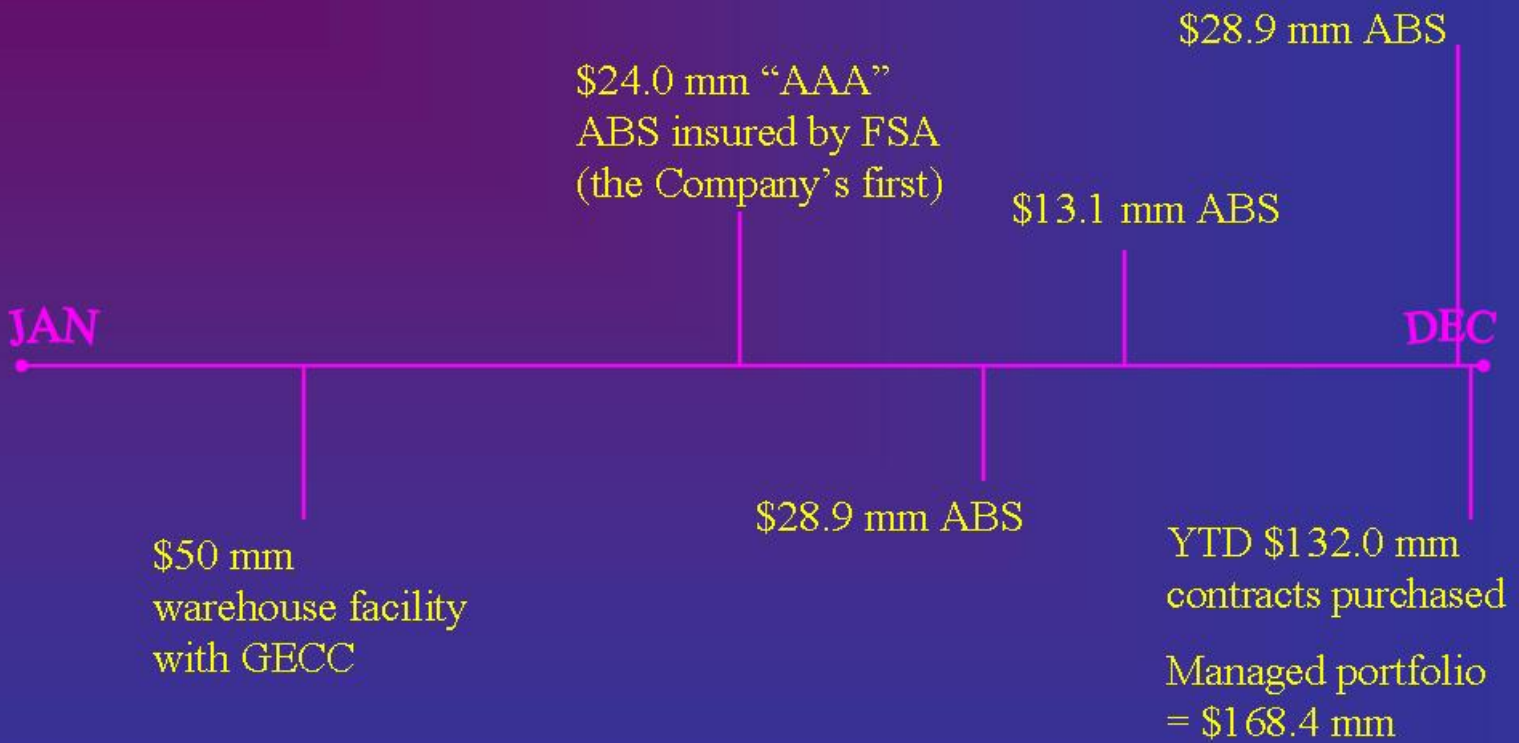


# 1993

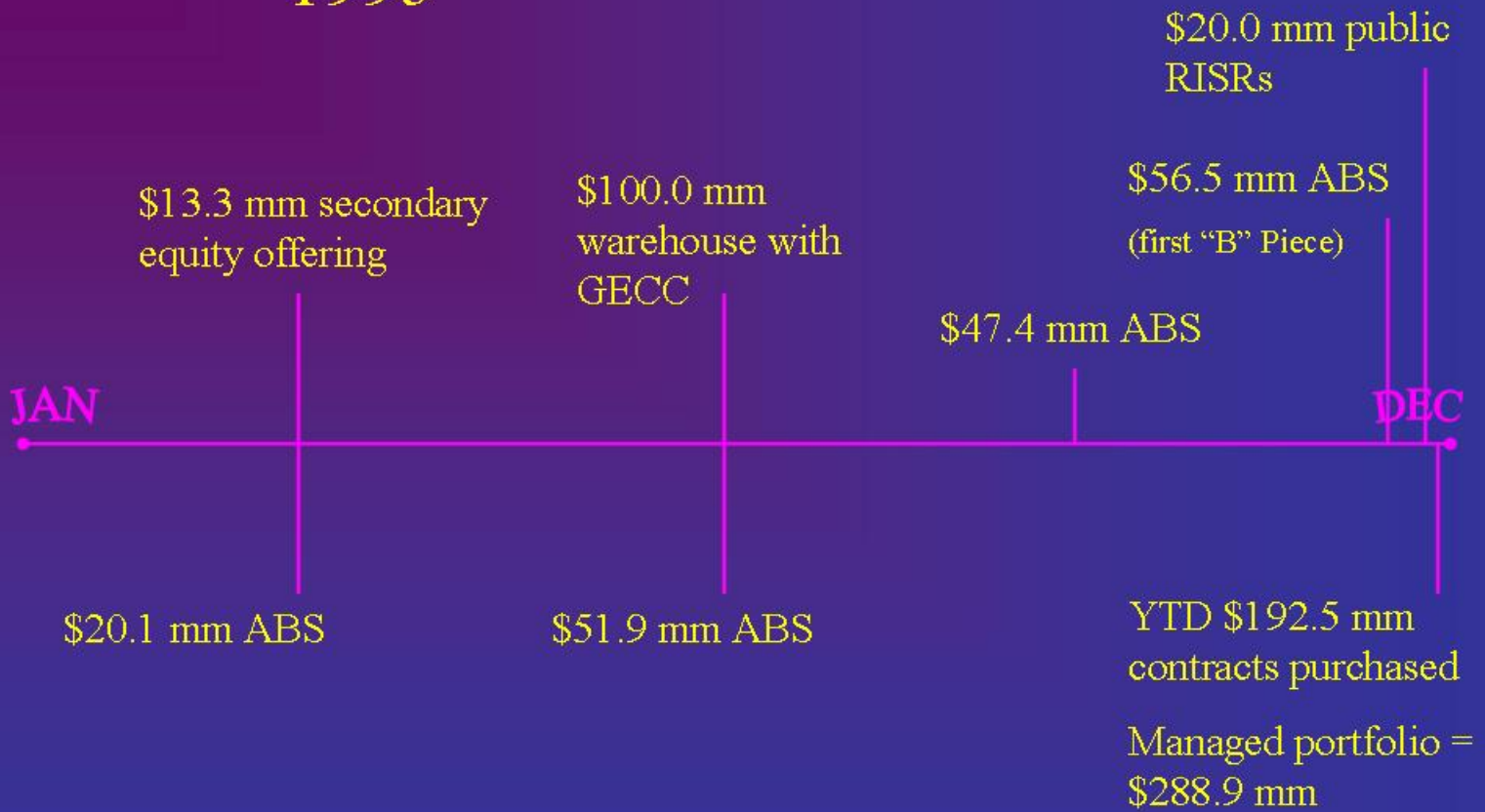




# 1994



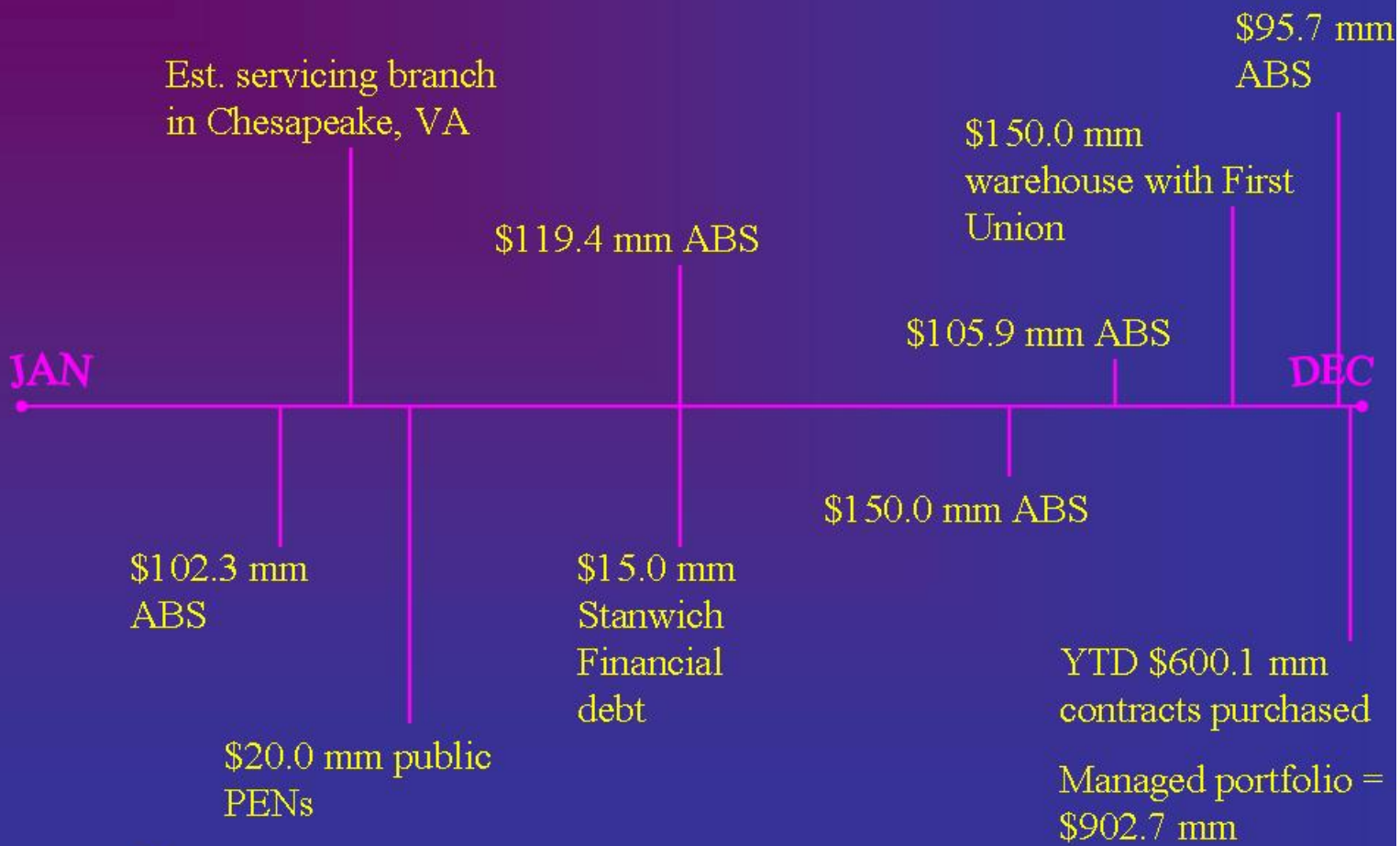
# 1995



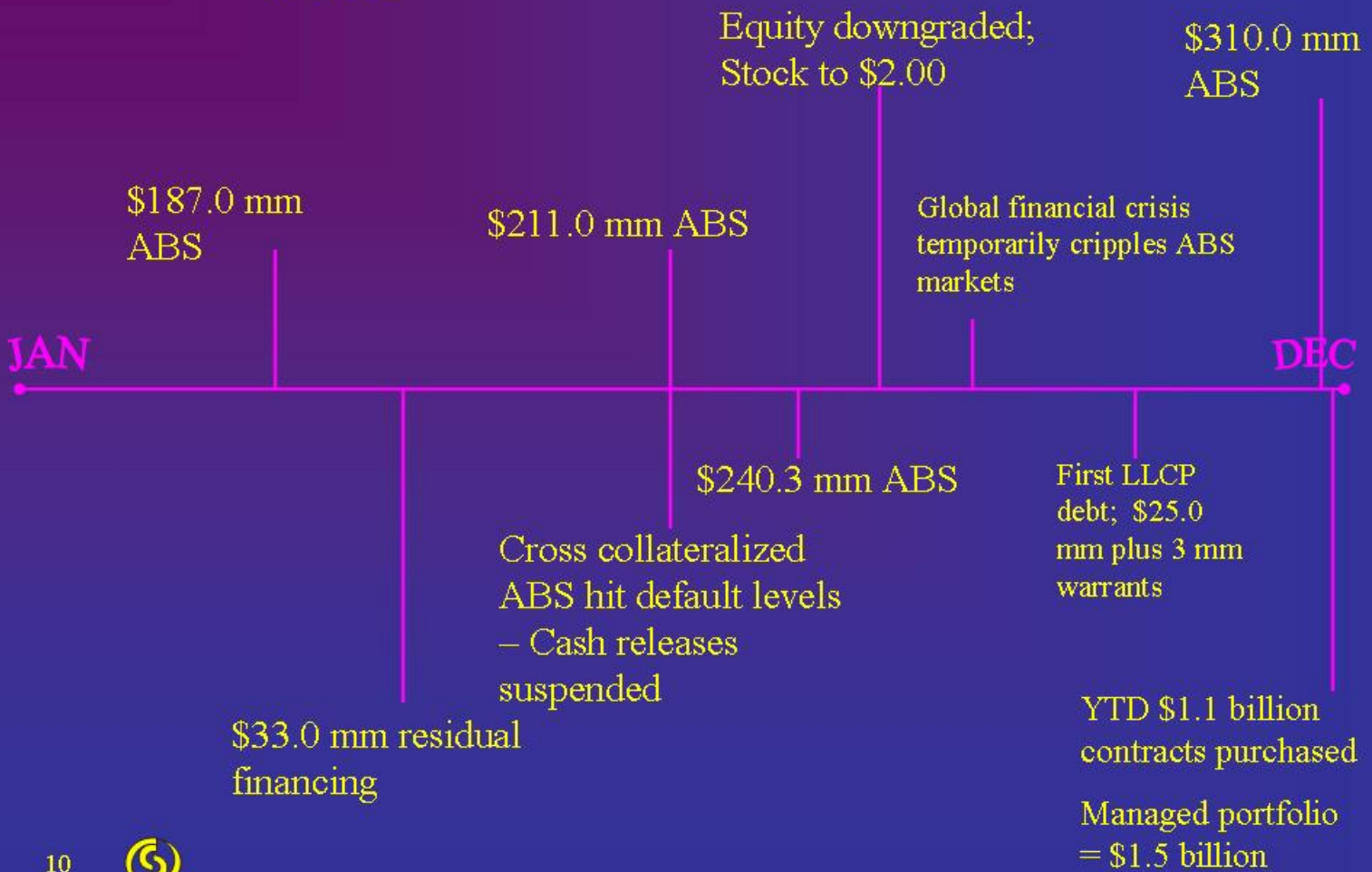
# 1996



# 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

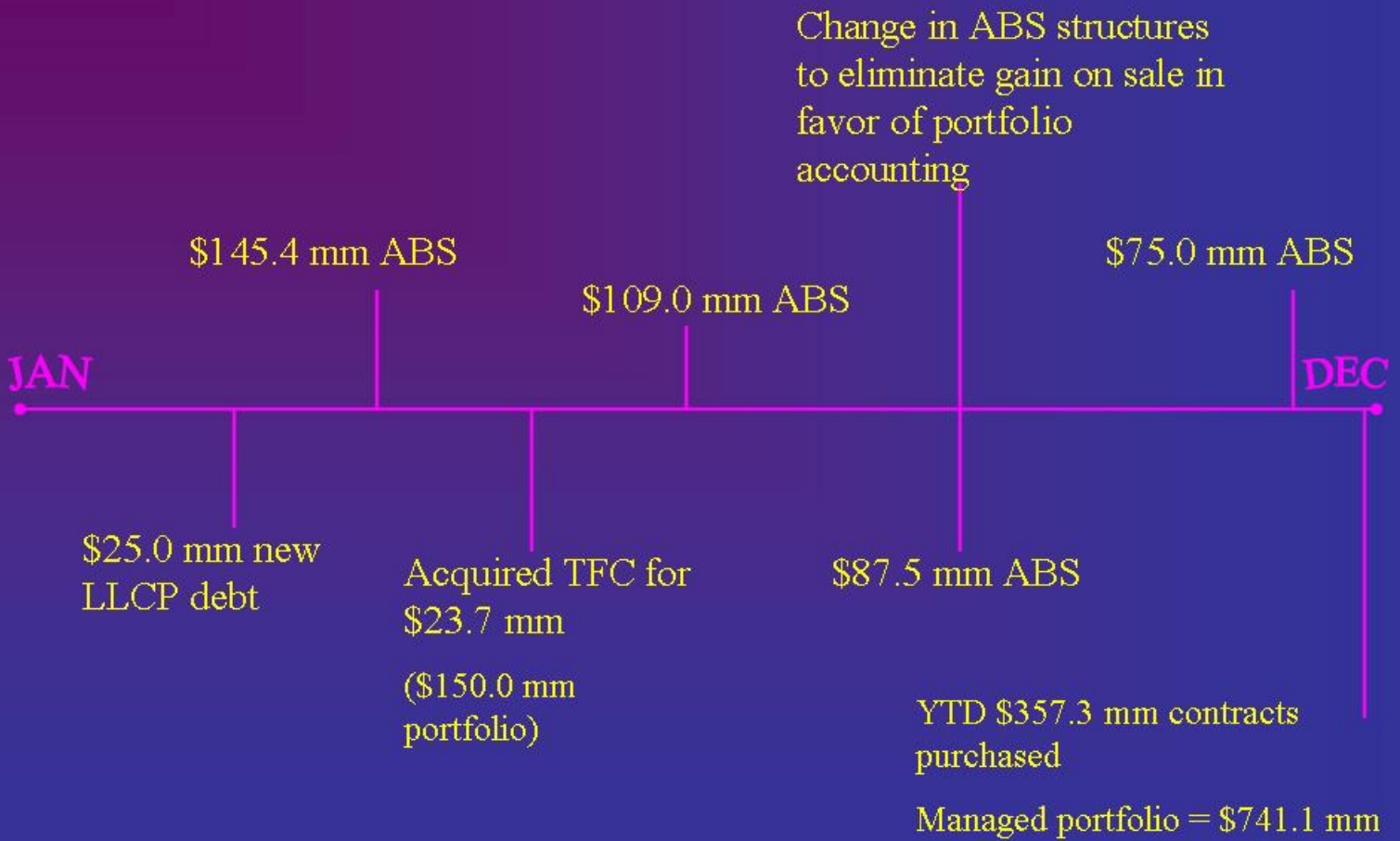




# 2002



# 2003

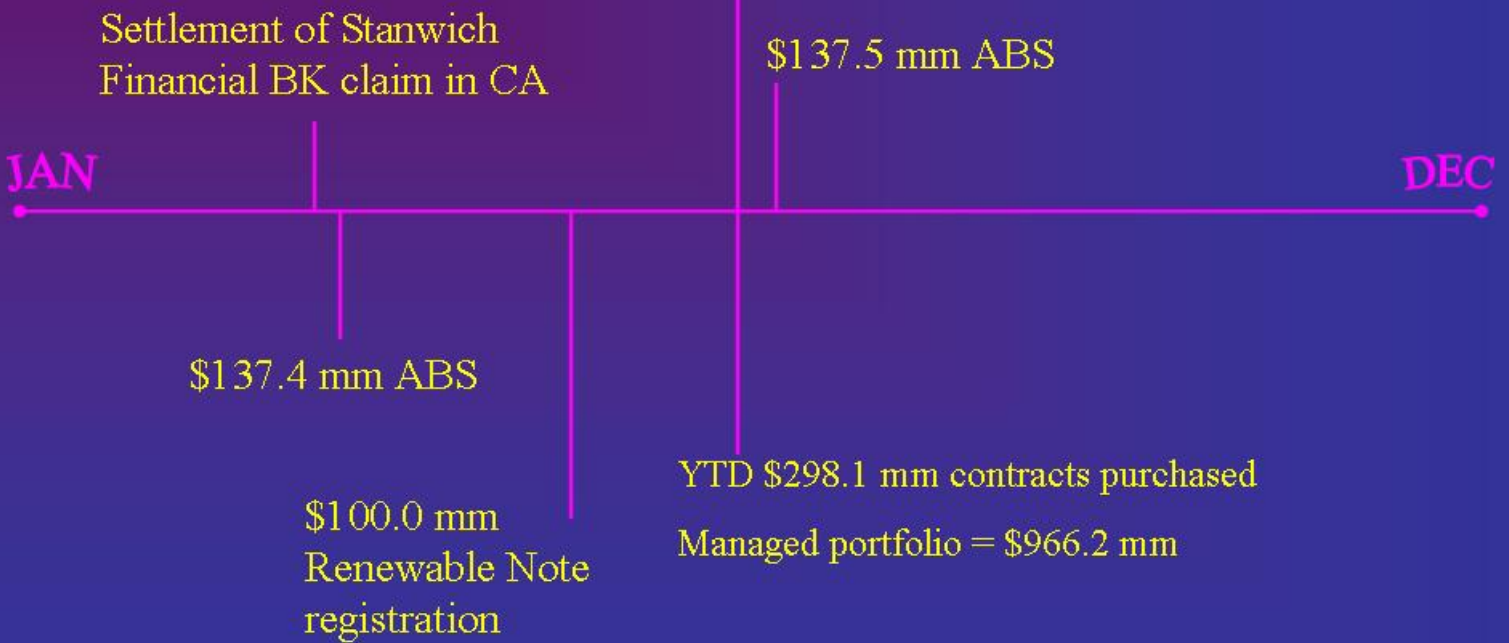


# 2004



# 2005

First profitable quarter since change in ABS structures to portfolio accounting



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