

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) May 2, 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)

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 May 2, 2005, the registrant issued a news release announcing its financial results for the quarter ended March 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 in Exhibit 99.1, the Company stated that managed receivables were \$926.3 million at March 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 March 31, 2005:

March 31, 2005
(in millions)

| | |
|--|----------|
| Net finance receivables per balance sheet | \$ 620.3 |
| Allowance for finance receivables credit losses | 46.3 |
| Unearned origination fees | 16.2 |
| Finance receivables held by unconsolidated subsidiaries | 193.8 |
| Finance receivables serviced without ownership interest | 40.5 |
| Adjustment for discount and Rule 78s | 1.9 |
| Repossessed vehicles included in other assets on balance sheet | 7.1 |
| Other | 0.2 |
| | ----- |
| | \$ 926.3 |
| | ===== |

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 |
|----------------|--------------------------------|
| 99.1 | News Release dated May 2, 2005 |

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: May 3, 2005

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 May 2, 2005

[GRAPHIC OMITTED]

NEWS RELEASE

CONSUMER PORTFOLIO SERVICES, INC. REPORTS
2005 FIRST QUARTER RESULTS

IRVINE, CALIFORNIA, MAY 2, 2005 (BUSINESS WIRE) -- Consumer Portfolio Services, Inc. (Nasdaq: CPSS) today announced results for its first quarter ended March 31, 2005.

For the three months ended March 31, 2005 total revenues increased approximately \$14.3 million, or 52.0%, to \$41.8 million, compared to \$27.5 million for the three months ended March 31, 2004. Total expenses for the three months ended March 31, 2005 were \$42.1 million, an increase of \$13.1 million, or 45.4%, as compared to \$28.9 million for the three months ended March 31, 2004. Net loss for the quarter ended March 31, 2005 was \$(239,000), or \$(0.01) per diluted share, compared to net loss of \$(1.4) million, or \$(0.07) per diluted share, for the quarter ended March 31, 2004. Diluted shares outstanding were 21.5 million and 20.6 million for the quarters ended March 31, 2005 and 2004, respectively.

"We are pleased with the financial results for the first quarter as our transition from gain on sale to portfolio accounting is almost complete," said Charles E. Bradley, President and Chief Executive Officer of Consumer Portfolio Services. "We are working diligently so that revenue growth continues to outpace expense growth in the coming quarters as we further leverage our operating infrastructure. Operationally, during the first quarter we experienced meaningful growth in purchases of new receivables, which were the highest they have been in almost three years. In addition, asset performance was strong."

"As I mentioned previously, another significant positive development for us in the first quarter was the settlement of the Stanwich litigation in California. Subsequent to quarter end, we have also renewed one of our warehouse facilities."

During the first quarter of 2005, Consumer Portfolio Services purchased \$144.2 million of contracts from dealers as compared to \$127.1 million during the fourth quarter of 2004 and \$93.4 million during the first quarter 2004. In addition, the Company continued its regular quarterly securitization program with the March sale of \$125.1 million of AAA/Aaa rated asset backed notes. As of March 31, 2005, the Company's managed receivables totaled \$926.3 million, as follows (\$ in millions):

| | |
|---|---------|
| Owned by Consolidated Subsidiaries* | \$692.0 |
| Owned by Non-Consolidated Subsidiaries | 193.8 |
| As Third Party Servicer for SeaWest Financial | 40.5 |
| | ----- |
| Total | \$926.3 |

* Before \$71.7 million of allowance for credit losses and deferred acquisition fees.

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 loan loss provisions are recorded upon acquisition and during the life of the receivables. The effect is to accelerate recognition of expenses and defer recognition of revenue. As a result, reported earnings have been less than what they would have been had the Company continued to structure its securitizations to record a gain on sale.

CONFERENCE CALL

Consumer Portfolio Services announced that it will hold a conference call tomorrow, May 3, 2005, at 1:30 p.m. EDT to discuss its quarterly results. 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 May 3, 2005 and May 10, 2005, beginning one hour after conclusion of the call, by dialing 877-519-4471 or 973-341-3080 for international participants, with pin number 6003840. 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 38 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 generally would not be expected to qualify for financing provided by banks or by automobile manufacturers' captive finance companies.

FORWARD-LOOKING STATEMENTS IN THIS NEWS RELEASE INCLUDE THE COMPANY'S RECORDED REVENUE, EXPENSE, GAIN ON SALE REVENUE 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 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.

THE STATEMENTS CONCERNING THE INTENDED STRUCTURE OF FUTURE SECURITIZATIONS AND THE EFFECTS OF SUCH STRUCTURES ON FINANCIAL ITEMS ARE FORWARD-LOOKING STATEMENTS. IF THE COMPANY WERE TO CHANGE THE STRUCTURE OF FUTURE TRANSACTIONS, THAT COULD CAUSE SUCH FORWARD-LOOKING STATEMENTS NOT TO BE ACCURATE.

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 March 31, | |
|--|---------------------------------|------------|
| | 2005 | 2004 |
| REVENUES: | | |
| Interest income | \$ 36,172 | \$ 20,423 |
| Servicing fees | 2,265 | 3,324 |
| Other income | 3,397 | 3,775 |
| | ----- | ----- |
| | 41,833 | 27,522 |
| | ----- | ----- |
| EXPENSES: | | |
| Employee costs | 10,450 | 9,653 |
| General and administrative | 5,138 | 3,966 |
| Interest | 10,384 | 5,912 |
| Provision for credit losses | 12,312 | 6,750 |
| Impairment loss on residual asset | - | - |
| Other expenses | 3,788 | 2,648 |
| | ----- | ----- |
| | 42,072 | 28,929 |
| | ----- | ----- |
| Income (loss) before income taxes | (239) | (1,407) |
| Income taxes | - | - |
| | ----- | ----- |
| Net income (loss) | \$ (239) | \$ (1,407) |
| | ===== | ===== |
| Earnings (loss) per share: | | |
| Basic | \$ (0.01) | \$ (0.07) |
| Diluted | (0.01) | (0.07) |
| Number of shares used in computing earnings (loss) per share: | | |
| Basic | 21,528 | 20,638 |
| Diluted | 21,528 | 20,638 |

CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)
(UNAUDITED)

| | March 31, 2005 | December 31, 2004 |
|--|-------------------|----------------------|
| Cash and restricted cash | \$ 159,789 | \$ 139,479 |
| Finance receivables, net | 620,302 | 550,191 |
| Residual interest in securitizations | 44,135 | 50,430 |
| Other assets | 26,307 | 26,499 |
| | ----- | ----- |
| | \$ 850,533 | \$ 766,599 |
| | ===== | ===== |
| Accounts payable and other liabilities | \$ 16,836 | \$ 18,153 |
| Warehouse lines of credit | 50,535 | 34,279 |
| Residual interest financing | 16,411 | 22,204 |
| Securitization trust debt | 619,430 | 542,815 |
| Senior secured debt | 59,829 | 59,829 |
| Subordinated debt | 14,000 | 15,000 |
| Other liabilities | 3,684 | 4,399 |
| | ----- | ----- |
| | 780,725 | 696,679 |
| | ----- | ----- |
| Shareholders' equity | 69,808 | 69,920 |
| | ----- | ----- |
| | \$ 850,533 | \$ 766,599 |
| | ===== | ===== |

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