

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) August 2, 2004

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.)
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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 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

EXHIBIT NUMBER	DESCRIPTION
99.1	News Release dated August 2, 2004

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information in this Current Report 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 August 2, 2004, the registrant issued a news release announcing its financial results for the quarter ended June 30, 2004. 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 \$900.3 million at June 30, 2004. 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 June 30, 2004:

June 30, 2004
(in millions)

Net finance receivables per balance sheet	\$ 312.3
Allowance for finance receivables credit losses	36.6
Unearned origination fees	12.7
Finance receivables held by unconsolidated subsidiaries	370.7
Repossessed vehicles included in other assets on balance sheet	3.2
Other	0.8

	\$ 736.3
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The managed receivables measure is useful to management and investors because it provides a basis for estimating (i) the Company's servicing fee revenue and (ii) the Company's servicing personnel requirements. The managed receivables measure is primarily used by investors and analysts, for those purposes.

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: August 3, 2004

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

EXHIBIT NUMBER	DESCRIPTION
99.1	News Release dated August 2, 2004

[CPS Logo Here]

NEWS RELEASE

CONSUMER PORTFOLIO SERVICES, INC.
REPORTS 2004 SECOND QUARTER RESULTS

IRVINE, CALIFORNIA, AUGUST 2, 2004 -- Consumer Portfolio Services, Inc. (Nasdaq: CPSS) today announced results for its second quarter ended June 30, 2004.

For the three months ended June 30, 2004 total revenues increased approximately \$9.0 million, or 38%, to \$32.7 million, compared to \$23.7 million for the three months ended June 30, 2003. Pretax loss for the second quarter of 2004 was \$0.2 million, compared to pretax income of \$3.1 million for the comparable 2003 period. Expenses for the second quarter of 2004 included a \$6.3 million provision for credit losses resulting from the change in securitization structure implemented during the third quarter of 2003. Net loss for the quarter ended June 30, 2004 was \$0.2 million, or \$(0.01) per diluted share, compared to net income of \$2.6 million, or \$0.12 per diluted share, for the quarter ended June 30, 2003. Diluted shares outstanding were 21.0 million and 21.6 million for the quarters ended June 30, 2004 and 2003, respectively.

Revenues for the six months ended June 30, 2004 totaled \$60.2 million, an increase of \$13.9 million, or 30%, compared to \$46.3 million in the 2003 period. For the six months ended June 30, 2004 pretax loss was \$1.6 million. For the six months ended June 30, 2003 pretax income was \$5.5 million. Net loss for the six months ended June 30, 2004 was \$1.6 million, or \$(0.08) per diluted share, compared to net income of \$8.9 million, or \$0.41 per diluted share, for the six months ended June 30, 2003. Net income during the 2003 period included a net tax benefit of \$3.4 million. The income tax benefit in the prior period was primarily the result of the resolution of certain IRS examinations of tax returns filed by MFN Financial Corporation prior to its having been acquired in 2002 by CPS. The resulting tax benefit of \$4.9 million was offset in part by an income tax provision of \$1.5 million. Diluted shares outstanding were 20.8 million and 22.2 million for the six-month periods ended June 30, 2004 and 2003, respectively.

"The second quarter was a busy period for us, from both operational and financing perspectives," said Charles E. Bradley, President and Chief Executive Officer. "Our initiatives to increase our purchases of new receivables continue to show positive results, as do our asset performance statistics, which are trending favorably. In addition, the integration of the Seawest receivables and personnel is nearly complete. On the financing front, we were able to securitize receivables that we purchased from Seawest in April, as well as to establish a new warehouse credit facility. In this, the fourth quarter under our new securitization structure, our financial results continued to improve."

During the second quarter of 2004, the Company purchased \$107.4 million of contracts from dealers and \$74.9 million from affiliates of SeaWest Financial Corporation, and completed two securitization financings. The two securitizations were the sale of \$76.3 million of AAA/Aaa rated asset backed notes issued by CPS Auto Receivables Trust 2004-A and the sale of \$76.3 million of AAA/Aaa asset backed notes issued by PCR Auto Receivables Trust 2004-1. The first transaction was a securitization of receivables originated under CPS's programs. The latter transaction was a securitization of the receivables purchased from SeaWest Financial Corporation in April 2004 and receivables originated by CPS's subsidiary, The Finance Company. In addition, the Company entered into a new \$100 million revolving warehouse credit facility. As of June 30, 2004, Consumer Portfolio Services' managed receivables totaled \$900.3 million as follows (\$ in millions):

Owned by Consolidated Subsidiaries*	\$492.0
Owned by Non-Consolidated Subsidiaries	323.0
As Third Party Servicer for SeaWest	85.3

Total	\$900.3

* Before \$70.7 million of allowance for credit losses and deferred acquisition fees.

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 will be 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 initially will be less than they would have been had the Company continued to structure its securitizations to record a gain on sale and therefore, reported net earnings may be negative for the remainder of 2004. Growth in the Company's portfolio of receivables in excess of current expectations would delay reporting positive net earnings. This change in securitization structure was the principal cause of the Company's net loss in the third and fourth quarters of 2003 and the first two quarters of 2004.

CONFERENCE CALL

Consumer Portfolio Services announced that it will hold a conference call Tuesday, August 3, 2004, at 1:30 p.m. EST 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 August 3, 2004 and August 10, 2004, beginning one hour after conclusion of the call, by dialing 877-519-4471, reservation number is 4995915. 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.

CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2004	2003	2004	2003
REVENUES:				
Net gain on sale of contracts	\$ --	\$ 4,109	\$ --	\$ 8,664
Interest income	25,722	11,442	46,145	20,770
Servicing fees	3,507	4,463	6,831	9,065
Other income	3,458	3,701	7,233	7,763
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	32,687	23,715	60,209	46,262
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EXPENSES:				
Employee costs	9,794	9,442	19,447	17,889
General and administrative	6,466	4,049	10,433	8,081
Interest	7,500	5,086	13,412	10,617
Provision for credit losses	6,300	--	13,050	--
Other expenses	2,801	2,006	5,448	4,189
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	32,861	20,583	61,790	40,776
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Income (loss) before income tax expense (benefit)	(174)	3,132	(1,581)	5,486
Income tax expense (benefit)	--	490	--	(3,434)
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Net income (loss)	\$ (174)	\$ 2,642	\$ (1,581)	\$ 8,920
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Earnings (loss) per share:				
Basic	\$ (0.01)	\$ 0.13	\$ (0.08)	\$ 0.44
Diluted	(0.01)	0.12	(0.08)	0.41
Number of shares used in computing earnings (loss) per share:				
Basic	21,016	20,209	20,827	20,239
Diluted	21,016	21,565	20,827	22,160

CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)
(UNAUDITED)

	June 30, 2004	December 31, 2003
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Cash and restricted cash	\$ 85,341	\$100,486
Finance receivables, net	421,274	266,189
Residual interest in securitizations	81,304	111,702
Other assets	25,681	14,093
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	\$613,600	\$492,470
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Accounts payable and other liabilities	\$ 28,727	\$ 29,018
Warehouse lines of credit	57,114	33,709
Residual interest financing	33,799	--
Securitization trust debt	337,058	245,118
Senior secured debt	59,829	49,965
Subordinated debt	15,000	52,500
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	531,527	410,310
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Shareholders' equity	82,073	82,160
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	\$613,600	\$492,470
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CONTACTS

Investors:

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~ OR ~

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