

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 23, 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 February 23, 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 February 23, 2004, the registrant issued a news release announcing its financial results for the year ended December 31, 2003. 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 \$741.2 million at December 31, 2003. 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 and (ii) 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, 2003:

	December 31, 2003 (in millions)
Net finance receivables per balance sheet	\$ 266.2
Allowance for finance receivables credit losses	35.9
Unearned origination fees	9.9
Finance receivables held by unconsolidated subsidiaries	425.5
Repossessed vehicles included in other assets on balance sheet	2.5
Other	1.2

	\$ 741.2
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The managed receivables measure is useful to management and investors because it provides a basis for estimating (i) the net interest margin and other operating metrics as a percentage of the total receivables acquired or owned by the Company, (ii) the amount of cash received by the Company as servicing fees on its term securitizations, and (iii) 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: March 18, 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	Earnings Release dated February 23, 2004

[CPS Logo Here]

NEWS RELEASE

CONSUMER PORTFOLIO SERVICES, INC. REPORTS
2003 FOURTH QUARTER AND FULL-YEAR EARNINGS

IRVINE, CALIFORNIA, FEBRUARY 23, 2004 -- Consumer Portfolio Services, Inc. (Nasdaq: CPSS) today announced earnings for its fourth quarter and year ended December 31, 2003.

For the three months ended December 31, 2003 total revenues increased approximately \$2.6 million, or 10.3%, to \$28.2 million, compared to \$25.6 million for the three months ended December 31, 2002. Pretax loss for the fourth quarter 2003 was \$(5.7) million, compared to pretax income of \$3.3 million for the comparable 2002 period. Net loss for the quarter ended December 31, 2003 was \$(5.7) million, or \$(0.28) per diluted share, compared to net income of \$1.9 million, or \$0.09 per diluted share, for the quarter ended December 31, 2002. Diluted shares outstanding were 20.4 million and 21.9 million for the quarters ended December 31, 2003 and 2002, respectively.

Revenues for the year ended December 31, 2003 totaled \$100.9 million, an increase of \$9.0 million, or 9.8%, compared to \$92.0 million for 2002. Full-year 2003 net income was \$395,000, or \$0.02 per diluted share, which includes a net tax benefit of \$3.4 million. The income tax benefit is primarily the result of the resolution of certain IRS examinations of tax returns filed by MFN Financial Corporation prior to its acquisition by Consumer Portfolio Services, resulting in a tax benefit of \$4.9 million, which was offset by an income tax provision of \$1.5 million. For the year ended December 31, 2002 income prior to extraordinary item was \$3.0 million, or \$0.14 per diluted share. Diluted shares outstanding were 21.6 million and 21.0 million for the years 2003 and 2002, respectively.

"In our second quarter under the new securitization structure our results continued to track in line with expectations," said Charles E. Bradley, President and Chief Executive Officer. "As we move forward into 2004, we are increasingly focused on laying the groundwork for origination growth while continuing to maintain credit discipline. In addition, since year-end we have refinanced \$35 million of long-term debt, significantly extending these maturities to support the company's long-term growth strategy."

Consumer Portfolio Services' managed receivables totaled \$741.2 million at December 31, 2003. During the fourth quarter of 2003, the Company purchased \$82.9 million of contracts and completed the \$75.0 million CPS Auto Receivables Trust 2003-D securitization. The managed receivables include \$425.5 million held by non-consolidated subsidiaries, which do not appear directly on the Company's balance sheet, as well as \$315.7 million (\$266.2 million net of allowance for credit losses and deferred acquisition fees) of receivables that are held directly by the Company and its consolidated subsidiaries.

As reported for the last two quarters, 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 the loan 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 accounting treatment of such transactions is equivalent to that currently used with respect to the majority of the receivables acquired in the acquisitions. 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 be had the Company continued to structure its securitizations to record a gain on sale and therefore, reported net earnings may be negative or nominally positive for approximately the next year. Growth in the Company's portfolio of loan 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.

CONFERENCE CALL

Consumer Portfolio Services announced that it will hold a conference call later today, February 23, 2004, at 2:00 p.m. EST to discuss its quarterly and full year 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 February 23, 2004 and March 1, 2004, beginning one hour after conclusion of the call, by dialing (877) 519-4471. The reservation number is 4543678. 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 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 December 31,		Year ended December 31,	
	2003	2002	2003	2002
Revenues:				
Net gain (loss) on sale of contracts	\$ (2,295)	\$ 4,274	\$ 6,369	\$ 16,444
Interest income	21,559	12,936	58,164	48,644
Servicing fees	3,697	4,236	17,058	14,621
Other income	5,223	4,114	19,343	12,243
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	28,184	25,560	100,934	91,952
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Expenses:				
Employee costs	9,760	9,170	37,141	37,778
General and administrative	6,140	4,777	21,271	20,131
Interest	6,817	5,943	23,861	23,925
Provision for credit losses	7,200	--	11,390	--
Other expenses	3,941	2,352	10,310	10,056
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	33,858	22,242	103,973	91,890
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Income (loss) before income tax expense (benefit) and extraordinary item	(5,674)	3,318	(3,039)	62
Income tax expense (benefit)	--	1,380	(3,434)	(2,934)
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Income (loss) before extraordinary item	(5,674)	1,938	395	2,996
Extraordinary item, unallocated negative goodwill	--	--	--	17,412
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Net income (loss)	\$ (5,674)	\$ 1,938	\$ 395	\$ 20,408
	=====	=====	=====	=====
Earnings (loss) per share before extraordinary item:				
Basic	\$ (0.28)	\$ 0.09	\$ 0.02	\$ 0.15
Diluted	(0.28)	0.09	0.02	0.14
Earnings (loss) per share after extraordinary item:				
Basic	\$ (0.28)	\$ 0.09	\$ 0.02	\$ 1.03
Diluted	(0.28)	0.09	0.02	0.97
Number of shares used in computing earnings (loss) per share:				
Basic	20,371	20,519	20,263	19,902
Diluted	20,371	21,913	21,576	20,987

Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	December 31, 2003	December 31, 2002
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Cash and restricted cash	\$ 100,486	\$ 51,859
Finance receivables, net	266,189	84,592
Residual interest in securitizations	111,702	127,170
Other assets	14,093	21,827
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	\$ 492,470	\$ 285,448
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Accounts payable and other liabilities	\$ 29,018	\$ 27,672
Warehouse lines of credit	33,709	--
Securitization trust debt	245,118	71,630
Senior secured debt	49,965	50,072
Subordinated debt	52,500	53,500
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	410,310	202,874
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Shareholders' equity	82,160	82,574
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	\$ 492,470	\$ 285,448
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CONTACTS

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