

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON DC 20549

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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) July 26, 2005

CONSUMER PORTFOLIO SERVICES, INC.  
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(Exact Name of Registrant as Specified in Charter)

CALIFORNIA -----	001-14116 -----	33-0459135 -----
(State or Other Jurisdiction Employer of Incorporation) No.)	(Commission File Number)	(IRS Identification

16355 Laguna Canyon Road, Irvine, CA 92618  
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(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (949) 753-6800

Not Applicable  
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(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 July 26, 2005, the registrant issued a news release announcing its financial earnings for the quarter ended June, 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 \$966.2 million at June 30, 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 June 30, 2005:

2005	June 30,
millions)	(in
- - - - -	
Net finance receivables per balance sheet	\$
693.8	
Allowance for finance receivables credit losses	
53.3	
Unearned origination fees	
16.8	
Finance receivables held by unconsolidated subsidiaries	
162.3	
Finance receivables serviced without ownership interest	
31.3	
Adjustment for discount and Rule 78s	
1.8	
Repossessed vehicles included in other assets on balance sheet	
6.8	
Other	
0.1	
- - - - -	
	\$
966.2	
=====	

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 July 26, 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: July 27, 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 July 26, 2005

[CPS LOGO]  
RELEASE

NEWS

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CONSUMER PORTFOLIO SERVICES, INC. REPORTS  
2005 SECOND QUARTER EARNINGS

IRVINE, CALIFORNIA, JULY 26, 2005 (BUSINESS WIRE) -- Consumer Portfolio Services, Inc. (Nasdaq: CPSS) today announced earnings for its second quarter ended June 30, 2005.

Net income for the quarter ended June 30, 2005 was \$545,000, or \$0.02 per diluted share, compared to net loss of \$(174,000), or \$(0.01) per diluted share, for the quarter ended June 30, 2004. For the three months ended June 30, 2005 total revenues increased approximately \$15.1 million, or 46.2%, to \$47.8 million, compared to \$32.7 million for the three months ended June 30, 2004. Total expenses for the three months ended June 30, 2005 were \$47.2 million, an increase of \$14.3 million, or 43.7%, as compared to \$32.9 million for the three months ended June 30, 2004.

Net income for the six months ended June 30, 2005 was \$306,000, or \$0.01 per diluted share, compared to net loss of \$(1.6) million, or \$(0.08) per diluted share, for the six months ended June 30, 2004. For the six months ended June 30, 2005 total revenues increased approximately \$29.4 million, or 48.8%, to \$89.6 million, compared to \$60.2 million for the six months ended June 30, 2004. Total expenses for the six months ended June 30, 2005 were \$89.3 million, an increase of \$27.5 million, or 44.5%, as compared to \$61.8 million for the six months ended June 30, 2004.

"We are pleased with the financial results for the second quarter as we were profitable for the first time in almost two years," said Charles E. Bradley, President and Chief Executive Officer of Consumer Portfolio Services. "Now that our transition from gain on sale to portfolio accounting has resulted in our return to profitability, we would expect to see continued earnings in the coming quarters. Operationally, we built on the positive momentum from the last few quarters. Asset performance during the first half of the year has been stronger than it has been since the mid-1990s. Additionally, during the second quarter we continued our growth in purchases of new receivables, which were once again the highest they have been in almost four years."

During the second quarter of 2005, Consumer Portfolio Services purchased \$153.9 million of contracts from dealers as compared to \$144.2 million during the first quarter of 2005 and \$107.4 million during the second quarter 2004. In addition, the Company continued its regular quarterly securitization program with the June sale of \$130.6 million of AAA/Aaa rated asset backed notes. As of June 30, 2005, the Company's managed receivables totaled \$966.2 million, as follows (\$ in millions):

\$772.6	Owned by Consolidated Subsidiaries*
162.3	Owned by Non-Consolidated Subsidiaries
31.3	As Third Party Servicer for SeaWest Financial
- - - - -	
	Total
\$966.2	

\* Before \$78.8 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 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, July 27, 2005, at 1:30 p.m. EDT to discuss its quarterly earnings. 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 July 27, 2005 and August 3, 2005, beginning one hour after conclusion of the call, by dialing 877-519-4471 or 973-341-3080 for international participants, with pin number 6295911. 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](http://www.consumerportfolio.com) and at [www.streetevents.com](http://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 are typically unable to obtain financing from traditional sources.

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, AND ALSO INCLUDE THE STATEMENT THAT CONTINUED EARNINGS ARE EXPECTED. 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. ALL OF SUCH FACTORS ALSO MAY AFFECT THE COMPANY'S FUTURE EARNINGS, AS TO WHICH THERE CAN BE NO ASSURANCE.

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,	
	2005	2004	2005	2004
<b>Revenues:</b>				
Interest income	\$40,522	\$25,722	\$76,694	\$46,145
Servicing fees	1,795	3,507	4,060	6,831
Other income	5,459	3,458	8,856	7,233
	47,776	32,687	89,610	60,209
<b>Expenses:</b>				
Employee costs	9,701	9,794	20,151	19,447
General and administrative	6,627	6,466	11,766	10,433
Interest	11,948	7,500	22,332	13,412
Provision for credit losses	15,224	6,300	27,536	13,050
Other expenses	3,731	2,801	7,519	5,448
	47,231	32,861	89,304	61,790
Income (loss) before income taxes	545	(174)	306	(1,581)
Income taxes	-	-	-	-
<b>Net income (loss)</b>	<b>\$545</b>	<b>\$(174)</b>	<b>\$306</b>	<b>\$(1,581)</b>
<b>Earnings (loss) per share:</b>				
Basic	\$0.03	\$(0.01)	\$0.01	\$(0.08)
Diluted	0.02	(0.01)	0.01	(0.08)
<b>Number of shares used in computing earnings (loss) per share:</b>				
Basic	21,623	21,016	21,576	20,827
Diluted	23,399	21,016	23,451	20,827



Condensed Consolidated Balance Sheets  
(In thousands)  
(Unaudited)

	June 30, 2005	Dec. 31, 2004
	-----	-----
Cash and restricted cash	\$155,301	\$139,479
Finance receivables, net	693,847	550,191
Residual interest in securitizations	38,053	50,430
Other assets	26,240	26,499
	-----	-----
	\$913,441	\$766,599
	=====	=====
Accounts payable and other liabilities	\$19,876	\$22,552
Warehouse lines of credit	45,315	34,279
Residual interest financing	12,031	22,204
Securitization trust debt	692,020	542,815
Senior secured debt	59,829	59,829
Subordinated debt	14,000	15,000
	-----	-----
	843,071	696,679
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Shareholders' equity	70,370	69,920
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	\$913,441	\$766,599
	=====	=====

INVESTOR RELATIONS CONTACT

Charles E. Bradley  
Consumer Portfolio Services  
949-753-6800