

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) June 6, 2018

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

CALIFORNIA
(State or Other Jurisdiction
of Incorporation)

1-14116
(Commission
File Number)

33-0459135
(IRS Employer
Identification No.)

3800 Howard Hughes Parkway, Suite 1400, Las Vegas, NV 89169
(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 (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 7.01 REGULATION FD DISCLOSURE

We are today making available one presentation consisting of 23 slides. A copy is attached as an exhibit. Although the exhibit is an update of similar presentations made available from time to time as an exhibit to a report on Form 8-K, we are not undertaking to update further any of the information that is contained in the attached presentation. The same presentation furnished as an exhibit to this report will be made available on our website, at this address:

<http://ir.consumerportfolio.com/events-and-presentations/presentations>

We routinely post important information, including news releases and reports to the U.S. Securities and Exchange Commission, on our website.

The information furnished in this report shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

Neither financial statements nor *pro forma* financial information are filed with this report.

One exhibit is attached:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Company Summary as of March 31, 2018

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.

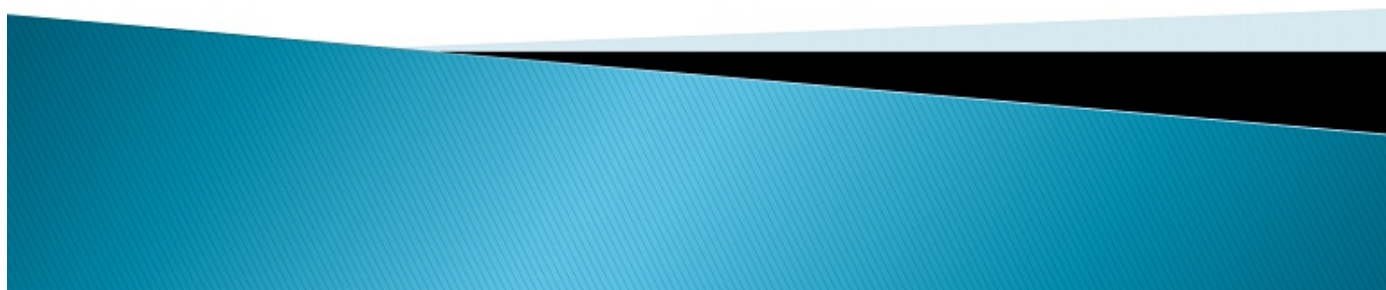
Dated: June 6, 2018

By: /s/ Jeffrey P. Fritz
Jeffrey P. Fritz
Executive Vice President

Consumer Portfolio Services, Inc.

Nasdaq: CPSS

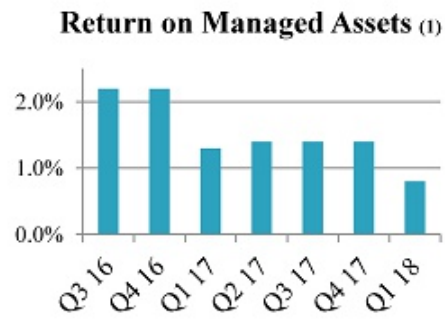
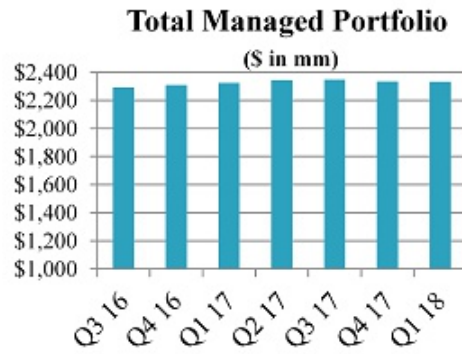
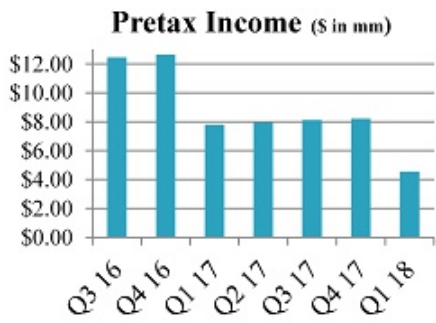
Investor Presentation
As of March 31, 2018



Company Overview

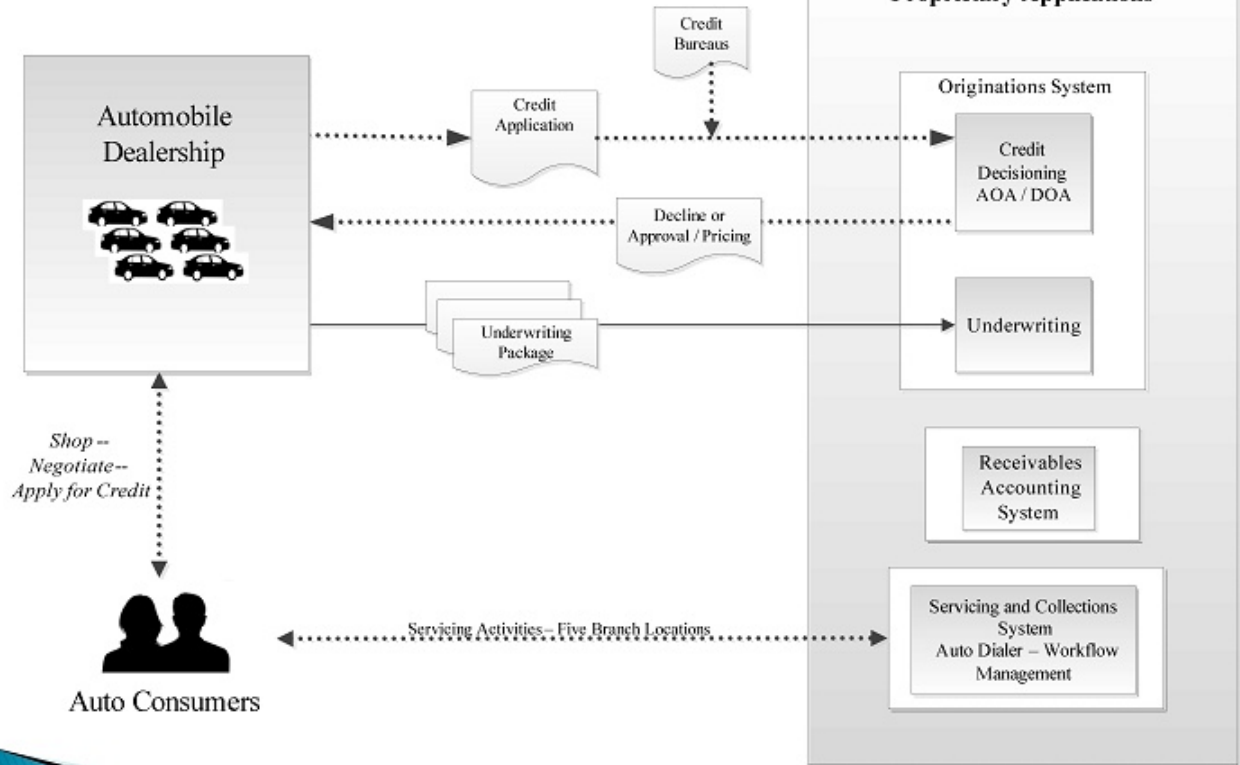
- Consumer finance company focused on sub-prime auto market
- Established in 1991. IPO in 1992
- Through March 31, 2018, approximately \$14.6 billion in contracts originated
- From 2002 – 2011, four mergers and acquisitions aggregating \$822.3 million
- Irvine, California operating headquarters; Branches in Nevada, Illinois, Virginia and Florida
- Approximately 1,008 employees
- \$859.1 million contract originations in 2017; \$210.6 million contract originations in three months ended March 31, 2018
- \$2.3 billion outstanding managed portfolio at March 31, 2018

Recent Financial and Operating Performance



(1) Equal to annualized pretax income as a percentage of the average managed portfolio.

Operational Flow



Economic Model

- Recent results reflect upward tick in cost of funds due to rising interest rate environment.

	Quarter Ended		Twelve Months Ended	
	March 31, 2018	March 31, 2017	December 31, 2017	December 31, 2016
Interest Income	17.3%	18.1%	18.2%	18.4%
Servicing and Other Income	0.5%	0.5%	0.4%	0.6%
Interest Expense	(4.1%)	(3.8%)	(4.0%)	(3.6%)
Net Interest Margin	13.6%	14.8%	14.7%	15.4%
Provision for Credit Losses	(6.9%)	(8.2%)	(8.0%)	(8.0%)
Core Operating Expenses	(5.9%)	(5.3%)	(5.3%)	(5.1%)
Pretax Return on Assets	0.8%	1.3%	1.4%	2.2%

(1) As a percentage of the average managed portfolio. Percentages may not add due to rounding.

U.S. Auto Finance Market

U.S. Auto Finance Market

\$1.1 trillion in auto loans outstanding as of Q4 2017 ⁽¹⁾

Approximately 39% of Q4 2017 auto loans originated were below “prime” (credit score less than 660) ⁽¹⁾

Approximately \$225 billion in new subprime auto loans in 2016 ⁽²⁾

Historically fragmented market

Few dominant long-term players

Significant barriers to entry

Other National Industry Players

Santander Consumer USA

GM Financial/AmeriCredit

Capital One

Chase Custom

Wells Fargo

Westlake Financial

Credit Acceptance Corp.

Exeter Finance Corp.

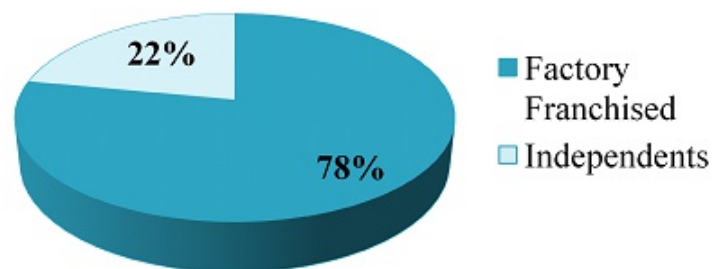
(1) According to Experian Automotive.

(2) According to Royal Media, Big Wheels 2017

Marketing

- Purchasing contracts from dealers in 48 states across the U.S.
- As of March 31, 2018 had 80 employee marketing representatives
- Primarily factory franchised dealers

Contract Purchases (1)



(1) Under the CPS programs for contracts purchased during first quarter of 2018.

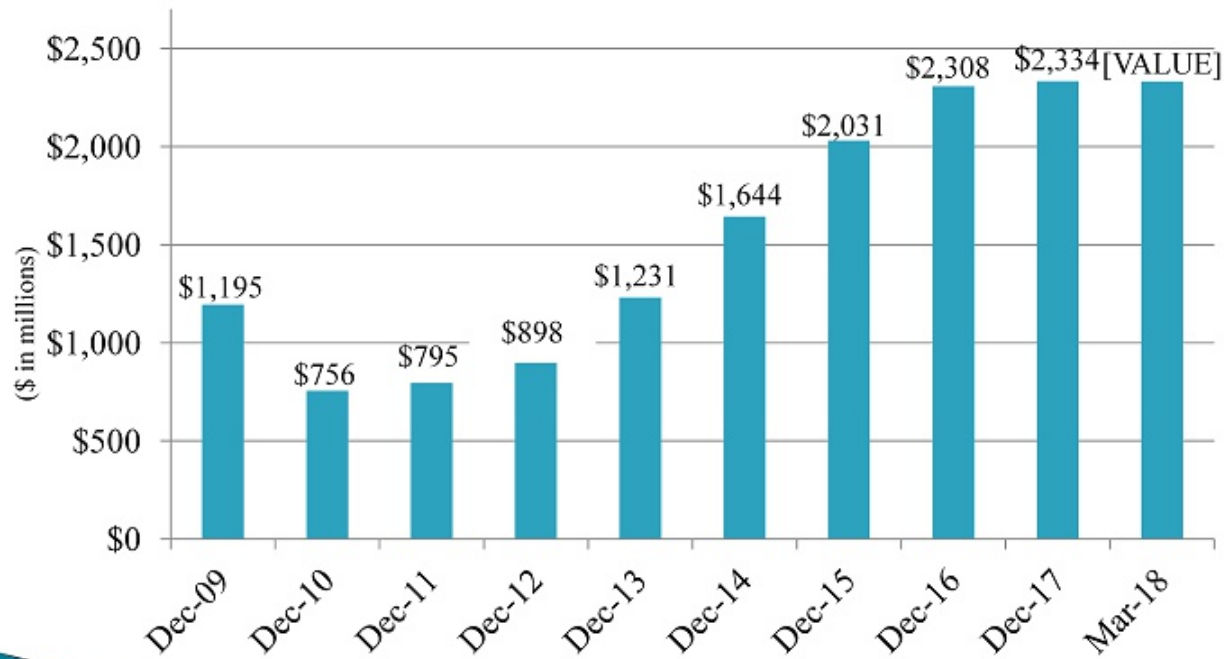
Historical Origination Volume

- Since inception through March 31, 2018 the Company has originated approximately \$14.6 billion in contracts



Total Managed Portfolio

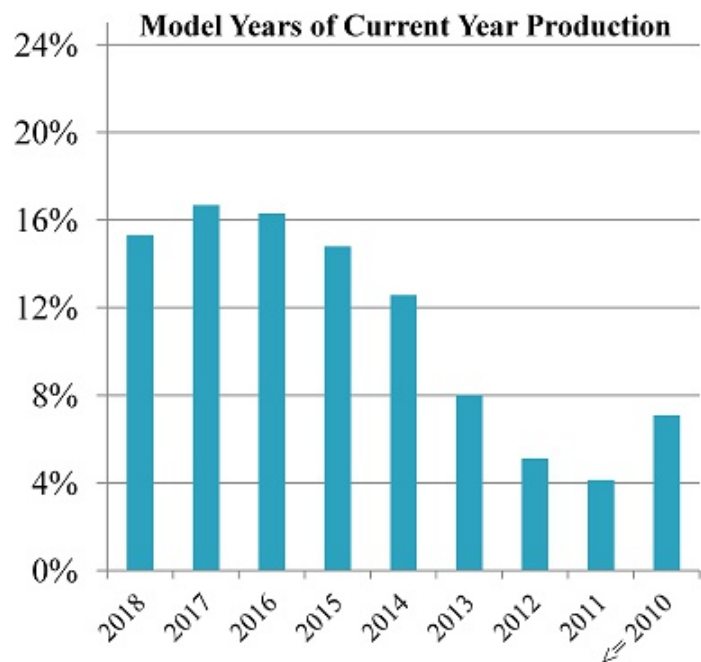
➤ Decline through 2010 was the result of the financial crisis



Collateral Description (1)

Primarily late model, pre-owned vehicles

- 23% New
- 77% Pre-owned
- 46% Domestic
- 54% Imports



(1) Under the CPS programs for contracts purchased during first quarter 2018

Overview of Lending Programs

- CPS's proprietary scoring models and risk-adjusted pricing result in program offerings covering a wide band of the sub-prime credit spectrum

<u>Program</u> ⁽¹⁾	<u>Avg. Yield</u> ⁽²⁾	<u>Avg. Amount Financed</u>	<u>Avg. Annual Household Income</u>	<u>Avg. Time on Job (years)</u>	<u>Avg. FICO</u>	<u>% of Purchases</u>
Preferred	12.21%	\$19,864	\$75,071	8.7	610	4%
Super Alpha	14.66%	\$19,582	\$70,226	7.7	587	8%
Alpha Plus	16.82%	\$18,385	\$59,099	6.3	578	19%
Alpha	19.03%	\$16,608	\$50,648	5.4	571	43%
Standard	21.68%	\$13,601	\$44,402	3.6	576	13%
Mercury / Delta	22.73%	\$13,111	\$42,261	3.3	560	8%
First Time Buyer	27.72%	\$11,933	\$34,964	2.0	576	4%
Bravo	22.27%	\$12,210	\$42,149	2.9	548	1%
Overall	18.75%	\$16,117	\$51,518	5.1	574	100%

(1) Under the CPS programs for contracts purchased during first quarter 2018.

(2) Contract APR as adjusted for fees charged (or paid) to dealer.

Borrower and Contract Profile⁽¹⁾

Borrower:

• Average age	42 years
• Average time in job	5 years
• Average time in residence	6 years
• Average credit history	11 years
• Average household income	\$51,518 per year
• Percentage of homeowners	22%

Contract:

• Average amount financed	\$16,117
• Weighted average monthly payment	\$424
• Weighted average term	69 months
• Weighted average APR	19.0%
• Average LTV	111.6 %

(1) Under the CPS programs for contracts purchased during first quarter of 2018.

Operations

Contract Originations

- Centralized contract originations at Irvine HQ
 - Maximizes control and efficiencies
 - Certain functions performed at Florida and Nevada offices
- Proprietary auto-decisioning system
 - Makes initial credit decision on over 99% of incoming applications
 - Uses both criteria and proprietary scorecards in credit and pricing decisions
- Pre-funding verification of employment, income and residency
 - Protects against potential fraud

Servicing

- Geographically dispersed servicing centers enhance coverage and staffing flexibility and drive portfolio performance
- Early contact on past due accounts; commencing as early as first day after due date
- Early stage workload supplemented by automated intelligent predictive dialer, text message reminders and two-way text message communications.
- Workloads allocated based on specialization and behavioral scorecards, which enhances efficiencies



Portfolio Financing

- \$300 million in interim funding capacity through three credit facilities
 - \$100 million with Fortress; revolves to April 2019, due in April 2021
 - \$100 million with Citibank; revolves to August 2018, due in August 2019
 - \$100 million with Ares / Credit-Suisse; revolves to November 2019, due in November 2021

- Regular issuer of asset-backed securities, providing long-term matched funding
 - \$12.8 billion in 78 deals from 1994 through April 2018.
 - Completed 28 senior subordinated securitizations since the beginning of 2011.
 - In April 2018 transaction, sold five tranches of rated bonds from triple “A” down to double “B” with a blended coupon of 3.99%.

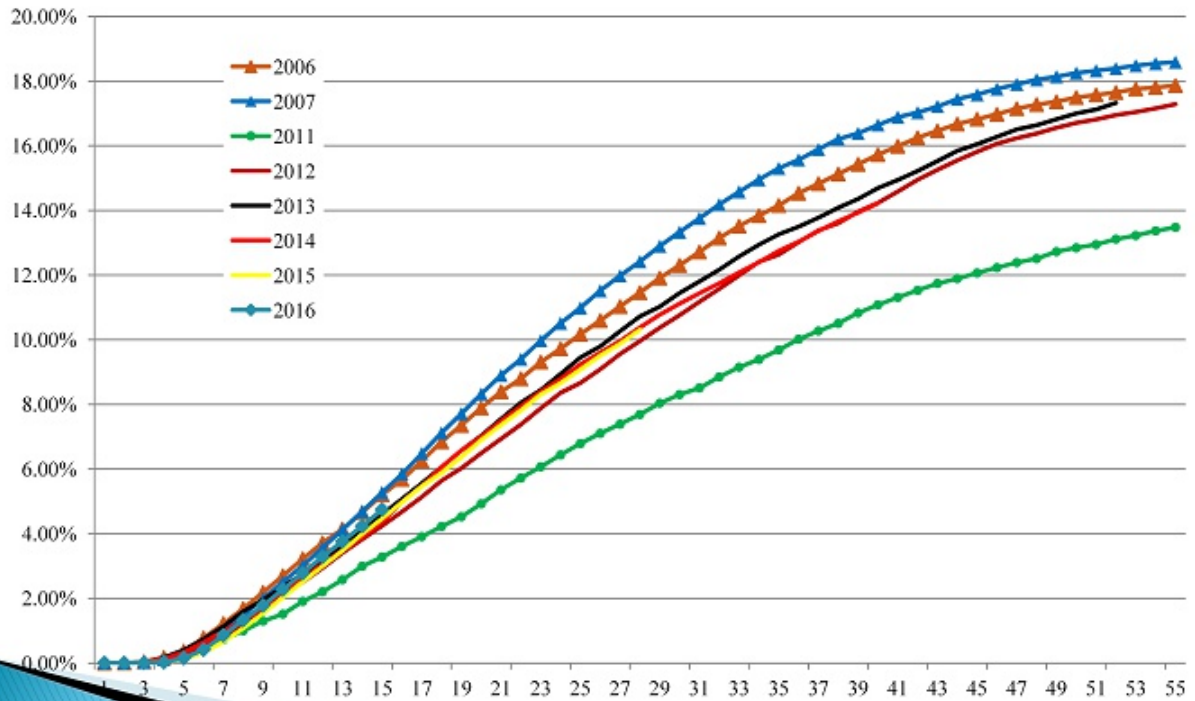
- At March 31, 2018, total corporate debt of \$16.3 million in subordinated unsecured retail notes.

- May 2018, \$40 million residual financing.



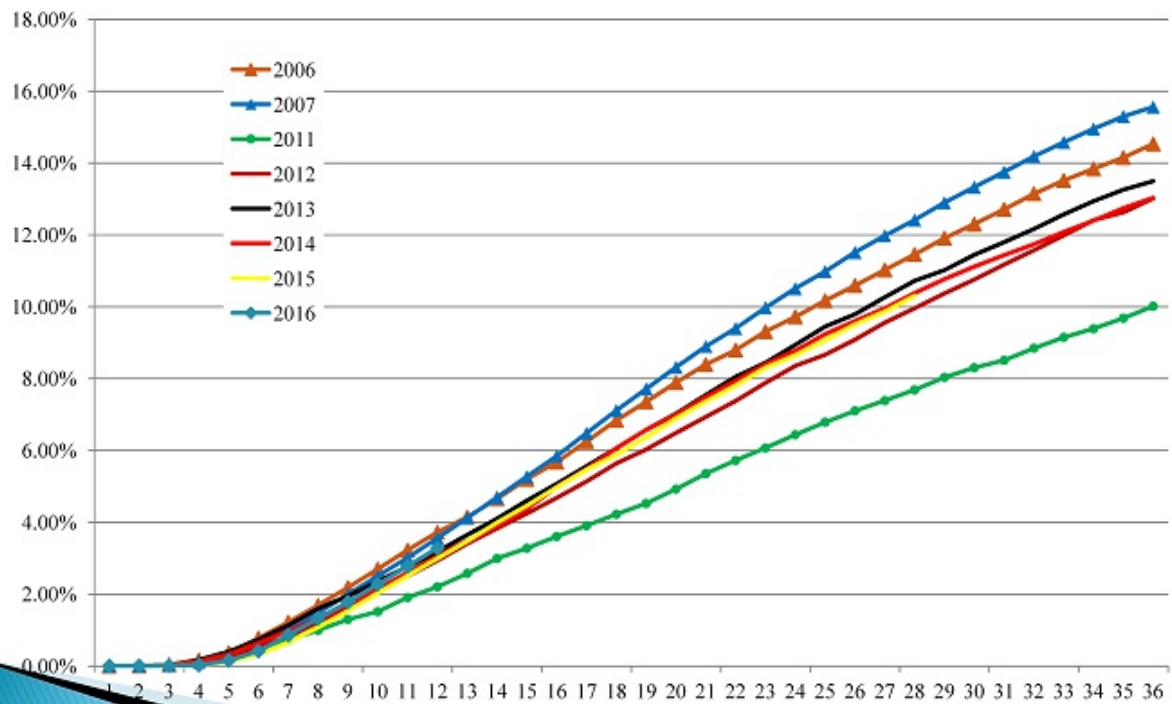
Static Pool Performance

- Average of quarterly vintage cumulative net losses as of March 31, 2018
- Recent pool performance in line with business model economics

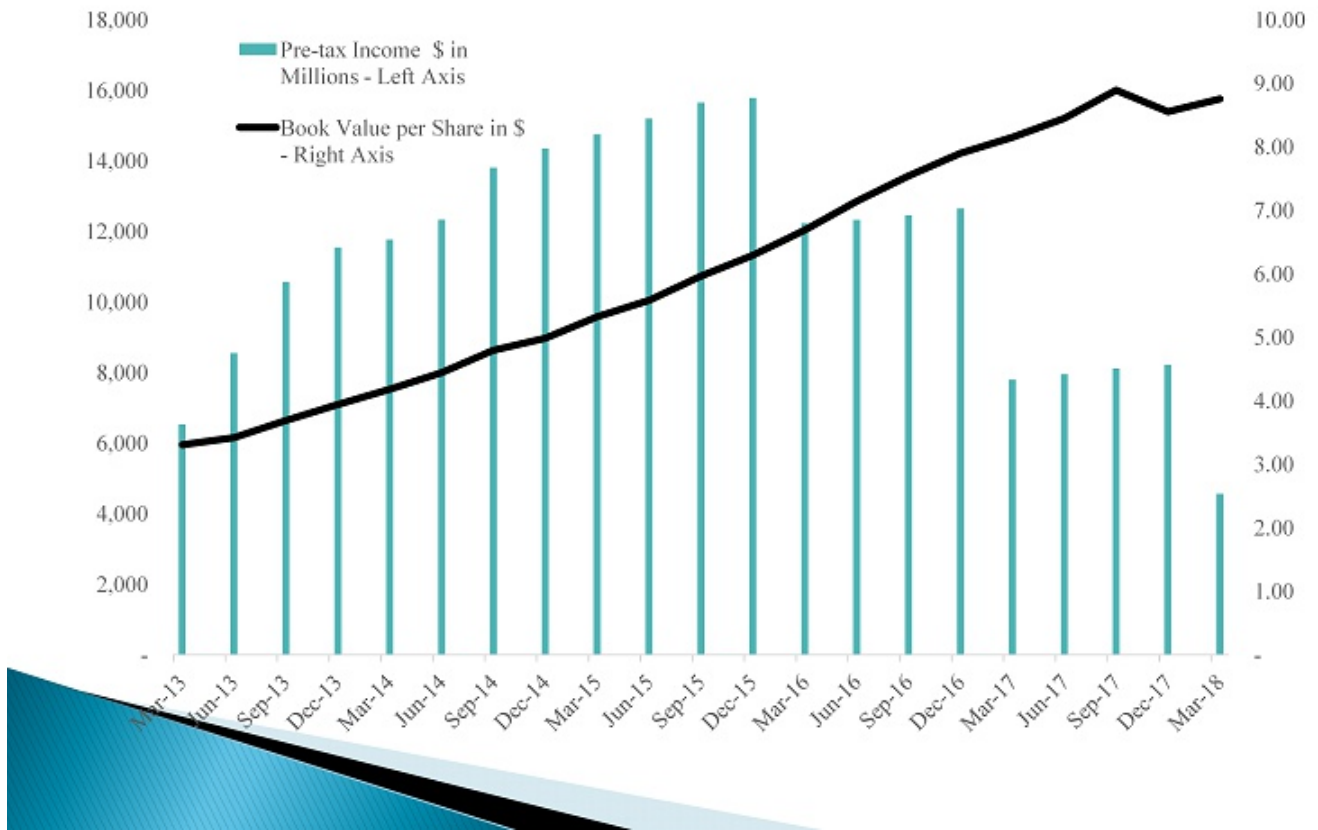


Static Pool Performance

- Average of quarterly vintage cumulative net losses as of March 31, 2018
- Recent pool performance in line with business model economics



Consumer Portfolio Services, Inc. Creating Shareholder Value



Summary Balance Sheets (1)

<i>(\$ in millions)</i>	March 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Assets				
Cash	\$ 11.6	\$ 12.7	\$ 13.9	\$ 19.3
Restricted cash	130.8	112.0	112.8	106.1
Finance receivables, net of allowance	1,991.0	2,195.8	2,172.4	1,909.5
Finance receivables, measured at fair value	209.9	-	-	-
Deferred tax assets, net	32.3	32.4	42.8	37.6
Other assets	63.4	71.9	68.5	56.4
	<u>\$ 2,439.0</u>	<u>\$ 2,424.8</u>	<u>\$ 2,410.4</u>	<u>\$ 2,128.9</u>
Liabilities				
Accounts payable and accrued expenses	\$ 33.6	\$ 28.7	\$ 25.0	\$ 29.5
Warehouse lines of credit	121.7	112.4	103.4	194.1
Securitization trust debt	2,080.1	2,083.2	2,080.9	1,720.0
Subordinated renewable notes	16.3	16.6	14.9	15.1
	<u>2,251.7</u>	<u>2,240.9</u>	<u>2,224.2</u>	<u>1,967.7</u>
Shareholders' equity	187.3	183.9	186.2	161.2
	<u>\$ 2,439.0</u>	<u>\$ 2,424.8</u>	<u>\$ 2,410.4</u>	<u>\$ 2,128.9</u>

(1) Numbers may not add due to rounding.

Summary Statements of Operations (1)

(\$ in millions)	Three Months Ended		Years Ended		
	March 31, 2018	March 31, 2017	December 31, 2017	December 31, 2016	December 31, 2015
Revenues					
Interest income	\$ 100.9	\$ 104.6	\$ 424.2	\$ 409.0	\$ 350.0
Other income	2.7	3.0	10.2	13.3	13.7
	103.6	107.6	434.4	422.3	363.7
Expenses					
Employee costs	20.6	17.8	73.0	65.5	59.6
General and administrative	13.8	12.7	50.3	48.7	42.4
Interest	24.1	22.1	92.3	79.9	57.7
Provision for credit losses	40.5	47.2	186.7	178.5	142.6
	99.0	99.8	402.3	372.6	302.3
Pretax income	4.6	7.8	32.1	49.7	61.4
Income tax expense (2)	1.4	3.3	28.3	20.4	26.7
Net income	\$ 3.2	\$ 4.5	\$ 3.8	\$ 29.3	\$ 34.7
EPS (fully diluted)	\$ 0.12	\$ 0.16	\$ 0.17	\$ 1.01	\$ 1.10

(1) Numbers may not add due to rounding.

(2) Includes \$15.1 million non-cash charge in 2017 related to tax rate change

Selected Financial Data

(\$ in millions)	Three Months Ended		Years Ended		
	March 31, 2018	March 31, 2017	December 31, 2017	December 31, 2016	December 31, 2015
Auto contract purchases	\$ 210.6	\$ 229.6	\$ 859.1	\$ 1,088.8	\$ 1,060.5
Total managed portfolio	\$ 2,332.3	\$ 2,323.2	\$ 2,333.5	\$ 2,308.1	\$ 2,031.1
Risk-adjusted margin (1)	\$ 39.0	\$ 38.3	\$ 155.3	\$ 163.8	\$ 163.3
Core operating expenses (2)					
\$ amount	\$ 34.4	\$ 30.6	\$ 123.2	\$ 114.2	\$ 101.9
% of avg. managed portfolio	5.9%	5.3%	5.3%	5.1%	5.5%
Pretax return on managed assets (3)	0.8%	1.3%	1.4%	2.2%	3.3%
Total delinquencies and repo inventory (30+ days past due)					
As a % of total owned portfolio	8.7%	9.7%	11.2%	11.0%	9.5%
Annualized net charge-offs					
As a % of total owned portfolio	8.2%	7.9%	7.7%	7.0%	6.4%

- (1) Revenues less interest expense and provision for credit losses.
- (2) Total expenses less provision for credit losses and interest expense.
- (3) Equal to annualized pretax income as a percentage of the average managed portfolio.

Investment Considerations

- CPS has weathered two industry cycles to remain one of the few independent public auto finance companies
- Twenty-six consecutive quarters of profitability (measured on a pre-tax basis)
- Attractive industry fundamentals with fewer large competitors than last cycle
- Consistent credit performance
- Growing portfolio enhances operating leverage through economies of scale
- Opportunistic, successful acquisitions
- Stable senior management team averaging 20 years of experience owns significant equity
- CPSS currently trading at a discount to book value

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 in Item 1A, "Risk Factors," 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.

Safe Harbor Statement

- ▶ Information included in the preceding 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 preceding 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 in sub-prime financing, and exposure to litigation.

