

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2026**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission file number: 1-11416**

**CONSUMER PORTFOLIO SERVICES, INC.**

**(Exact name of registrant as specified in its charter)**

California  
(State or other jurisdiction of incorporation or organization)

33-0459135  
(IRS Employer Identification No.)

3800 Howard Hughes Parkway, Suite 1400,  
Las Vegas, Nevada  
(Address of principal executive offices)

89169  
(Zip Code)

**Registrant's telephone number, including Area Code: (949) 753-6800**

Former name, former address and former fiscal year, if changed since last report: N/A

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, no par value	CPSS	The NASDAQ Stock Market LLC (Global Market)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer   
Non-Accelerated Filer

Accelerated Filer   
Smaller Reporting Company   
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 24, 2026, the registrant had 21,698,565 common shares outstanding.

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**CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES**  
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**For the Quarterly Period Ended March 31, 2026**

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PART I. FINANCIAL INFORMATION

Item 1. *Financial Statements*

CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES  
 UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS  
 (In thousands, except share and per share data)

	March 31, 2026	December 31, 2025
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,944	\$ 6,322
Restricted cash and equivalents	178,469	165,885
Finance receivables measured at fair value	3,835,789	3,655,855
Furniture and equipment, net	1,342	771
Deferred tax assets, net	16	16
Other assets	30,239	29,344
	<u>\$ 4,052,799</u>	<u>\$ 3,858,193</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 70,261	\$ 65,244
Warehouse lines of credit	467,138	324,871
Residual interest financing	181,383	142,982
Securitization trust debt	2,992,157	2,986,574
Subordinated renewable notes	27,508	28,986
	<u>3,738,447</u>	<u>3,548,657</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>Shareholders' Equity</b>		
Preferred stock, \$1 par value; authorized 4,998,130 shares; none issued	–	–
Series A preferred stock, \$1 par value; authorized 5,000,000 shares; none issued	–	–
Series B preferred stock, \$1 par value; authorized 1,870 shares; none issued	–	–
Common stock, no par value; authorized 75,000,000 shares; 21,695,835 and 21,842,457 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively	23,703	24,426
Retained earnings	291,924	286,385
Accumulated other comprehensive loss	(1,275)	(1,275)
	<u>314,352</u>	<u>309,536</u>
	<u>\$ 4,052,799</u>	<u>\$ 3,858,193</u>

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

**CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)

	Three Months Ended March 31,	
	2026	2025
<b>Revenues:</b>		
Interest income	\$ 108,721	\$ 101,933
Mark to finance receivables measured at fair value	–	3,500
Other income	3,613	1,441
	112,334	106,874
<b>Expenses:</b>		
Employee costs	23,046	25,033
General and administrative	12,908	12,563
Interest	60,061	54,918
Sales	6,552	5,911
Occupancy	1,514	1,398
Depreciation and amortization	225	249
	104,306	100,072
Income before income tax expense	8,028	6,802
Income tax expense	2,489	2,108
Net income	\$ 5,539	\$ 4,694
<b>Earnings per share:</b>		
Basic	\$ 0.25	\$ 0.22
Diluted	0.24	0.19
<b>Number of shares used in computing earnings per share:</b>		
Basic	21,777	21,444
Diluted	23,534	24,325

*See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.*

**CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(In thousands)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
Net income	\$ 5,539	\$ 4,694
Other comprehensive income/(loss); change in funded status of pension plan	–	–
Comprehensive income	<u>\$ 5,539</u>	<u>\$ 4,694</u>

*See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.*

**CONSUMER PORTFOLIO SERVICES, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	Three Months Ended March 31,	
	2026	2025
<i>Cash flows from operating activities:</i>		
Net income	\$ 5,539	\$ 4,694
Adjustments to reconcile net income to net cash provided by operating activities:		
Net interest income accretion on fair value receivables	69,947	64,907
Depreciation and amortization	225	249
Amortization of deferred financing costs	3,436	2,865
Mark to finance receivables measured at fair value	–	(3,500)
Provision for credit losses	–	(979)
Stock-based compensation expense	512	717
Changes in assets and liabilities:		
Deferred tax assets, net	–	184
Other assets	(895)	(407)
Accounts payable and accrued expenses	5,017	5,138
Net cash provided by operating activities	<u>83,781</u>	<u>73,868</u>
<i>Cash flows from investing activities:</i>		
Payments received on finance receivables held for investment	–	3,106
Purchases of finance receivables measured at fair value	(524,900)	(449,602)
Payments received on finance receivables at fair value	275,019	252,856
Purchase of furniture and equipment	(796)	(471)
Net cash used in investing activities	<u>(250,677)</u>	<u>(194,111)</u>
<i>Cash flows from financing activities:</i>		
Proceeds from issuance of securitization trust debt	345,610	442,420
Proceeds from issuance of subordinated renewable notes	270	1,603
Payments on subordinated renewable notes	(1,748)	(545)
Net proceeds from (repayments of) warehouse lines of credit	141,499	(45,811)
Proceeds from issuance of residual interest financing debt	50,000	65,000
Repayment of residual interest financing debt	(11,015)	–
Repayment of securitization trust debt	(340,193)	(292,997)
Payment of financing costs	(3,086)	(3,592)
Purchase of common stock	(1,235)	–
Exercise of options and warrants	–	246
Net cash provided by financing activities	<u>180,102</u>	<u>166,324</u>
Increase in cash and cash equivalents	13,206	46,081
Cash and restricted cash at beginning of period	172,207	137,397
Cash and restricted cash at end of period	<u>\$ 185,413</u>	<u>\$ 183,478</u>
<i>Supplemental disclosure of cash flow information:</i>		
Cash paid during the period for:		
Interest	\$ 56,777	\$ 51,507
Income taxes	\$ 80	\$ (75)

*See accompanying Notes to Unaudited Condensed Consolidated Financial Statements*

**CONSUMER PORTFOLIO SERVICES, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
(In thousands)

	March 31,	
	2026	2025
<b>Common Stock (Shares Outstanding)</b>		
Balance, beginning of period	21,842	21,433
Common stock issued upon exercise of options and warrants	–	70
Repurchase of common stock	(146)	–
Balance, end of period	<u>21,696</u>	<u>21,503</u>
<b>Common Stock</b>		
Balance, beginning of period	\$ 24,426	\$ 25,720
Common stock issued upon exercise of options and warrants	–	246
Repurchase of common stock	(1,235)	–
Stock-based compensation	512	717
Balance, end of period	<u>\$ 23,703</u>	<u>\$ 26,683</u>
<b>Retained Earnings</b>		
Balance, beginning of period	\$ 286,385	\$ 267,060
Net income	5,539	4,694
Balance, end of period	<u>\$ 291,924</u>	<u>\$ 271,754</u>
<b>Accumulated Other Comprehensive Loss</b>		
Balance, beginning of period	\$ (1,275)	\$ (10)
Pension benefit obligation	–	–
Balance, end of period	<u>\$ (1,275)</u>	<u>\$ (10)</u>
<b>Total Shareholders' Equity</b>	<u>\$ 314,352</u>	<u>\$ 298,427</u>

*See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.*

**CONSUMER PORTFOLIO SERVICES, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(1) Summary of Significant Accounting Policies**

**Description of Business**

We were formed in California on March 8, 1991. We specialize in purchasing and servicing retail automobile installment sale contracts (“automobile contracts” or “finance receivables”) originated by licensed motor vehicle dealers located throughout the United States (“dealers”) in the sale of new and used automobiles, light trucks and passenger vans. Through our purchases, we provide indirect financing to dealer customers for borrowers with limited credit histories or past credit problems (“sub-prime customers”). We serve as an alternative source of financing for dealers, allowing sales to customers who otherwise might not be able to obtain financing. In addition to purchasing installment purchase contracts directly from dealers, we have also (i) lent money directly to consumers for loans secured by vehicles, (ii) purchased immaterial amounts of vehicle purchase money loans from non-affiliated lenders, and (iii) acquired installment purchase contracts in four merger and acquisition transactions. In this report, we refer to all of such contracts and loans as “automobile contracts.”

**Basis of Presentation**

Our Unaudited Condensed Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America, with the instructions to Form 10-Q and with Article 10 of Regulation S-X of the Securities and Exchange Commission, and include all adjustments that are, in management’s opinion, necessary for a fair presentation of the results for the interim periods presented. All such adjustments are, in the opinion of management, of a normal recurring nature. Results for the three-month period ended March 31, 2026, are not necessarily indicative of the operating results to be expected for the full year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted from these Unaudited Condensed Consolidated Financial Statements. These Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, as well as the reported amounts of income and expenses during the reported periods.

**Finance Receivables Measured at Fair Value**

Effective January 1, 2018, we adopted the fair value method of accounting for finance receivables acquired on or after that date. For each finance receivable acquired after 2017, we consider the price paid on the purchase date as the fair value for such receivable. We estimate the cash to be received in the future with respect to such receivables, based on our experience with similar receivables acquired in the past. We then compute the internal rate of return that results in the present value of those estimated cash receipts being equal to the purchase date fair value. Thereafter, we recognize interest income on such receivables on a level yield basis using that internal rate of return as the applicable interest rate. Cash received with respect to such receivables is applied first against such interest income, and then to reduce the recorded value of the receivables.

We re-evaluate the fair value of such receivables at the close of each measurement period. If the reevaluation were to yield a value materially different from the recorded value, an adjustment would be required.

**CONSUMER PORTFOLIO SERVICES, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Anticipated credit losses are included in our estimation of cash to be received with respect to receivables. In accordance with the fair value accounting standards, credit losses are included in our computation of the appropriate level yield, therefore we do not thereafter make periodic provision for credit losses, as our best estimate of the lifetime aggregate of credit losses is included in that initial computation. Also, because we include anticipated credit losses in our computation of the level yield, the computed level yield is materially lower than the average contractual rate applicable to the receivables. Because our initial recorded value is fixed as the price we pay for the receivable, rather than the contractual principal balance, we do not record acquisition fees as an amortizing asset related to the receivables, nor do we capitalize costs of acquiring the receivables. Rather we recognize the costs of acquisition as expenses in the period incurred.

**Other Income**

The following table presents the primary components of Other Income for the three-month periods ending March 31, 2026, and 2025:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<b>(In thousands)</b>	
Origination and servicing fees from third party receivables	\$ 1,287	\$ 1,431
Dealer recoveries	2,319	—
Other	7	10
Other income for the period	\$ 3,613	\$ 1,441

**Leases**

The Company has operating leases for corporate offices, equipment, software and hardware. The Company has entered into operating leases for the majority of its real estate locations, primarily office space. These leases are generally for periods of three to seven years with various renewal options. The depreciable life of leased assets is limited by the expected lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet and the related lease expense is recognized on a straight-line basis over the lease term.

The following table presents the supplemental balance sheet information related to leases:

	<b>2026</b>	<b>2025</b>
	<b>(In thousands)</b>	
<b>Operating Leases</b>		
Operating lease right-of-use assets	\$ 53,225	\$ 53,225
Less: Accumulated amortization right-of-use assets	(37,461)	(36,281)
Operating lease right-of-use assets, net	\$ 15,764	\$ 16,944
Operating lease liabilities	\$ (18,012)	\$ (19,236)
<b>Finance Leases</b>		
Property and equipment, at cost	\$ 4,589	\$ 4,097
Less: Accumulated depreciation	(3,777)	(3,684)
Property and equipment, net	\$ 812	\$ 413
Finance lease liabilities	\$ (832)	\$ (428)
<b>Weighted Average Discount Rate</b>		
Operating lease	5.0%	5.0%
Finance lease	6.6%	6.4%

**CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Maturities of lease liabilities were as follows:**

(In thousands) Year Ending December 31,	<b>Operating Lease</b>	<b>Finance Lease</b>
2026 (excluding the three months ended March 31, 2026)	\$ 4,219	\$ 310
2027	5,756	355
2028	5,937	234
2029	4,331	10
2030	1,171	–
2031	719	–
Thereafter	50	–
Total undiscounted lease payments	22,183	909
Less amounts representing interest	(4,171)	(77)
Lease Liability	<u>\$ 18,012</u>	<u>\$ 832</u>

The following table presents the lease expense included in General and administrative and Occupancy expense on our Unaudited Condensed Consolidated Statement of Operations:

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<b>(In thousands)</b>	
Operating lease cost	\$ 1,320	\$ 1,311
Finance lease cost	104	55
Total lease cost	<u>\$ 1,424</u>	<u>\$ 1,366</u>

The following table presents the supplemental cash flow information related to leases:

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<b>(In thousands)</b>	
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows from operating leases	\$ 1,320	\$ 1,311
Operating cash flows from finance leases	88	47
Financing cash flows from finance leases	16	8

**CONSUMER PORTFOLIO SERVICES, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Stock-based Compensation**

We recognize compensation costs in the financial statements for all share-based payments based on the grant date fair value estimated in accordance with the provisions of ASC 718 "Stock Compensation".

For the three months ended March 31, 2026, and 2025 we recorded stock-based compensation costs in the amount of \$512,000 and \$717,000, respectively. As of March 31, 2026, unrecognized stock-based compensation costs to be recognized over future periods equaled \$4.8 million. This amount will be recognized as expense over a weighted-average period of 3.12 years.

The following represents stock option activity for the three months ended March 31, 2026:

	Number of Shares (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Options outstanding at the beginning of period	6,123	\$ 6.41	N/A
Granted	–	–	N/A
Exercised	–	–	N/A
Forfeited	–	–	N/A
Options outstanding at the end of period	<u>6,123</u>	<u>\$ 6.41</u>	<u>2.97 years</u>
Options exercisable at the end of period	<u>4,535</u>	<u>\$ 5.71</u>	<u>1.86 years</u>

The following table presents the price distribution of stock options outstanding and exercisable as of March 31, 2026 and December 31, 2025:

Range of exercise prices:	Number of shares as of March 31, 2026		Number of shares as of December 31, 2025	
	Outstanding	Exercisable	Outstanding	Exercisable
	(In thousands)		(In thousands)	
\$2.00 - \$2.99	1,098	1,098	1,098	1,098
\$3.00 - \$3.99	897	897	897	897
\$4.00 - \$4.99	1,145	1,145	1,145	1,145
\$8.00 - \$8.99	1,430	–	1,430	–
\$10.00 - \$10.99	1,553	1,395	1,613	1,253
Total shares	<u>6,123</u>	<u>4,535</u>	<u>6,123</u>	<u>4,393</u>

At March 31, 2026, the aggregate intrinsic value of options outstanding and exercisable was \$12.7 million. There were no options exercised for the three months ended March 31, 2026, compared to 70,000 for the comparable period in 2025. The total intrinsic value of options exercised was \$390,000 for the three-month periods ended March 31, 2025. There were 4,501,000 shares available for future stock option grants under existing plans as of March 31, 2026.

**CONSUMER PORTFOLIO SERVICES, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Purchases of Company Stock**

The table below describes the purchase of our common stock for the three-months ended March 31, 2026, and 2025:

	Three Months Ended			
	March 31, 2026		March 31, 2025	
	Shares	Avg. Price	Shares	Avg. Price
Open market purchases	126,622	\$ 8.57	–	–
Shares redeemed upon net exercise of stock options	–	–	–	–
Other	20,000	7.53	–	–
Total stock purchases	146,622	\$ 8.43	–	–

**Reclassifications**

Some items in the prior year financial statements were reclassified to conform to the current presentation. Reclassifications had no effect on net income or shareholders' equity.

**Financial Covenants**

Certain of our securitization transactions, our warehouse credit facilities and our residual interest financing contain various financial covenants requiring minimum financial ratios and results. Such covenants include maintaining minimum levels of liquidity and net worth and not exceeding maximum leverage levels. As of March 31, 2026, we were in compliance with all such covenants. In addition, certain of our debt agreements other than our term securitizations contain cross-default provisions. Such cross-default provisions would allow the respective creditors to declare a default if an event of default occurred with respect to other indebtedness of ours, but only if such other event of default were to be accompanied by acceleration of such other indebtedness.

**Provision for Contingent Liabilities**

We are routinely involved in various legal proceedings resulting from our consumer finance activities and practices, both continuing and discontinued. Our legal counsel has advised us on such matters where, based on information available at the time of this report, there is an indication that it is both probable that a liability has been incurred and the amount of the loss can be reasonably determined. This is described further in footnote 8.

**Recent Accounting Pronouncements**

We do not believe that any accounting pronouncements issued, but not yet effective, are applicable or would have a material impact on our consolidated financial statements or disclosures, if adopted.

**(2) Finance receivables measured at fair value**

Our portfolio of finance receivables consists of small-balance homogeneous contracts comprising a single segment. Our contract purchase guidelines are designed to produce a homogenous portfolio. For key terms such as interest rate, length of contract, monthly payment and amount financed, there is relatively little variation from the average for the portfolio.

We have elected to use the fair value method to value our portfolio of finance receivables acquired. The accounting treatment follows the fair value hierarchy outlined in ASC 820, "Fair Value Measurements", and the inputs and assumptions are level 3. This is described further in footnote 9.

**CONSUMER PORTFOLIO SERVICES, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Our valuation policies and procedures have been developed by our Accounting department in conjunction with our Risk department and with consultation with outside valuation experts. Our policies and procedures have been approved by our Chief Executive and our Board of Directors and include methodologies for valuation, internal reporting, calibration and back testing. Our periodic review of valuations includes an analysis of changes in fair value measurements and documentation of the reasons for such changes. There is little available third-party information such as broker quotes or pricing services available to assist us in our valuation process.

Our level 3, unobservable inputs reflect our own assumptions about the factors that market participants use in pricing similar receivables and are based on the best information available in the circumstances. They include such inputs as estimates for the magnitude and timing of net charge-offs and the rate of amortization of the portfolio of finance receivable. Significant changes in any of those inputs in isolation would have a significant effect on our fair value measurement.

For the quarter ended March 31, 2026, the Company evaluated the appropriate fair value and future earnings rate of existing receivables compared to recently acquired receivables and did not record a mark up or down to the portfolio.

The table below presents a reconciliation of the finance receivables measured at fair value on a recurring basis using significant unobservable inputs:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<b>(In thousands)</b>	
Balance at beginning of period	\$ 3,655,855	\$ 3,313,767
Finance receivables at fair value acquired during period	524,900	449,602
Payments received on finance receivables at fair value	(275,019)	(252,856)
Net interest income accretion on fair value receivables	(69,947)	(64,907)
Mark to fair value	–	3,500
Balance at end of period	<u>\$ 3,835,789</u>	<u>\$ 3,449,106</u>

The table below compares the fair values of these finance receivables to their contractual balances for the periods shown:

	<b>March 31, 2026</b>		<b>December 31, 2025</b>	
	<b>Contractual Balance</b>	<b>Fair Value</b>	<b>Contractual Balance</b>	<b>Fair Value</b>
	<b>(In thousands)</b>			
Finance receivables measured at fair value	\$ 3,941,948	\$ 3,835,789	\$ 3,778,127	\$ 3,655,855

The following table provides certain qualitative information about our level 3 fair value measurements:

<b>Financial Instrument</b>	<b>Fair Values as of</b>		<b>Unobservable</b>	<b>Weight Avg. Inputs as of</b>	
	<b>March 31, 2026</b>	<b>December 31, 2025</b>		<b>March 31, 2026</b>	<b>December 31, 2025</b>
	<b>(In thousands)</b>				
<b>Assets:</b>					
Finance receivables measured at fair value	\$ 3,835,789	\$ 3,655,855	Discount rate	11.07%	11.07%
			Cumulative net losses	16.21%	16.02%

**CONSUMER PORTFOLIO SERVICES, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

We report delinquency on a contractual basis. The following table summarizes the delinquency status of these finance receivables measured at fair value as of March 31, 2026, and December 31, 2025:

Delinquency Status	March 31, 2026	December 31, 2025
	(In thousands)	
Current	\$ 3,485,649	\$ 3,220,198
31 - 60 days	217,632	272,421
61 - 90 days	86,227	118,201
91 + days	48,911	56,203
Repo	103,529	111,104
	<u>\$ 3,941,948</u>	<u>\$ 3,778,127</u>

**(3) Securitization Trust Debt**

We have completed many securitization transactions that are structured as secured borrowings for financial accounting purposes. The debt issued in these transactions is shown on our Unaudited Condensed Consolidated Balance Sheets as “Securitization trust debt,” and the components of such debt are summarized in the following table:

Series	Final Scheduled Payment Date (1)	Receivables Pledged at March 31, 2026 (2)	Initial Principal	Outstanding Principal at March 31, 2026	Outstanding Principal at December 31, 2025	Weighted Average Contractual Debt Interest Rate at March 31, 2026
(Dollars in thousands)						
CPS 2021-B	June 2028	\$ —	\$ 240,000	\$ —	\$ 15,832	—
CPS 2021-C	September 2028	26,532	291,000	20,877	25,889	3.21%
CPS 2021-D	December 2028	38,630	349,202	32,336	39,625	4.06%
CPS 2022-A	April 2029	44,831	316,800	35,580	42,241	4.35%
CPS 2022-B	October 2029	73,489	395,600	60,999	72,820	6.91%
CPS 2022-C	April 2030	90,856	391,600	65,899	77,073	7.84%
CPS 2022-D	June 2030	88,079	307,018	77,684	86,973	10.05%
CPS 2023-A	August 2030	110,909	324,768	72,286	83,896	8.09%
CPS 2023-B	November 2030	123,672	332,885	96,290	107,035	7.92%
CPS 2023-C	February 2031	120,818	291,732	98,403	110,281	7.53%
CPS 2023-D	May 2031	126,518	286,149	107,460	121,208	8.28%
CPS 2024-A	August 2031	133,029	280,924	112,509	128,466	6.64%
CPS 2024-B	November 2031	173,674	319,871	152,694	171,992	6.74%
CPS 2024-C	March 2032	254,942	436,310	226,459	254,043	6.45%
CPS 2024-D	June 2032	268,918	416,816	240,262	269,169	5.35%
CPS 2025-A	August 2032	319,783	442,420	291,983	324,242	5.64%
CPS 2025-B	March 2033	341,428	419,950	313,883	341,383	5.54%
CPS 2025-C	May 2033	360,778	418,330	337,260	364,711	5.15%
CPS 2025-D	May 2033	352,083	384,600	335,664	366,313	5.18%
CPS 2026-A	August 2033	339,580	345,610	330,081	—	4.74%
		<u>\$ 3,388,549</u>	<u>\$ 6,991,585</u>	<u>\$ 3,008,609</u>	<u>\$ 3,003,192</u>	

(1) The Final Scheduled Payment Date represents final legal maturity of the securitization trust debt. Securitization trust debt is expected to become due and to be paid prior to those dates, based on amortization of the finance receivables pledged to the trusts. Expected payments, which will depend on the performance of such receivables, as to which there can be no assurance, are \$915.9 million in 2026, \$914.6 million in 2027, \$563.5 million in 2028, \$337.9 million in 2029, \$182.1 million in 2030, \$65.9 million in 2031, and \$12.3 million in 2032.

(2) Includes repossessed assets that are included in other assets on our Unaudited Condensed Consolidated Balance Sheet.

**CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Debt issuance costs of \$16.5 million and \$16.6 million as of March 31, 2026, and December 31, 2025, respectively, have been excluded from the table above. These debt issuance costs are presented as a direct deduction to the carrying amount of the Securitization trust debt on our Consolidated Balance Sheets.

All the securitization trust debt was sold in private placement transactions to qualified institutional buyers. The debt was issued through our wholly owned bankruptcy remote subsidiaries and is secured by the assets of such subsidiaries, but not by our other assets.

The terms of the various securitization agreements related to the issuance of the securitization trust debt require that certain delinquency and credit loss criteria be met with respect to the collateral pool and require that we maintain minimum levels of liquidity and net worth and not exceed maximum leverage levels. We are in compliance with all such covenants as of March 31, 2026.

We are responsible for the administration and collection of the contracts. The securitization agreements also require certain funds be held in restricted cash accounts to provide additional credit enhancement for the Notes or to be applied to make payments on the securitization trust debt. As of March 31, 2026, restricted cash under the various agreements totaled approximately \$178.5 million. Interest expense on the securitization trust debt is composed of the stated rate of interest plus amortization of additional costs of borrowing. Additional costs of borrowing include facility fees, insurance premiums, amortization of deferred financing costs, and amortization of discounts required on the notes at the time of issuance. Deferred financing costs related to the securitization trust debt are amortized using the interest method. Accordingly, the effective cost of borrowing of the securitization trust debt is greater than the stated rate of interest.

Our wholly owned, bankruptcy remote subsidiaries were formed to facilitate the above asset-backed financing transactions. Similar bankruptcy remote subsidiaries issue the debt outstanding under our warehouse line of credit. Bankruptcy remote refers to a legal structure in which it is expected that the applicable entity would not be included in any bankruptcy filing by its parent or affiliates. All of the assets of these subsidiaries have been pledged as collateral for the related debt. All such transactions, treated as secured financing for accounting and tax purposes, are treated as sales for all other purposes, including legal and bankruptcy purposes. None of the assets of these subsidiaries are available to pay any of our other creditors.

**CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES**  
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**(4) Debt**

The terms and amounts of our other debt outstanding at March 31, 2026, and December 31, 2025, are summarized below:

<u>Description</u>	<u>Interest Rate</u>	<u>Subordinate Lender Interest Rate</u>	<u>Maturity</u>	<u>Amount Outstanding at</u>	
				<u>March 31, 2026</u>	<u>December 31, 2025</u>
(In thousands)					
Warehouse line of credit	2.85% over CP yield rate (Minimum 3.60%) 6.68% and 6.80% at March 31, 2026 and December 31 2025, respectively	6.40% over SOFR yield rate (Minimum 7.15%) 10.33% and 10.40% at March 31, 2026 and December 31, 2025, respectively	July 2026	\$ 301,207	\$ 197,107
Warehouse line of credit	4.50% over a commercial paper rate (Minimum 7.50%) 8.18% and 8.25% at March 31, 2026, and December 31 2025, respectively		April 2026	–	11,778
Warehouse line of credit	2.75% over SOFR yield rate (Minimum 3.00%) 6.42% and 6.50% at March 31, 2026 and December 31, 2025, respectively	6.40% over SOFR yield rate (Minimum 6.65%) 10.07% and 10.27% at March 31, 2026 and December 31, 2025, respectively	October 2027	167,500	118,323
Residual interest financing	7.86%		December 2028	21,030	31,163
Residual interest financing	11.50%		March 2029	49,652	49,820
Residual interest financing	11.00%		June 2032	62,810	63,524
Residual interest financing	8.75%		May 2033	50,000	–
Subordinated renewable notes	Weighted average rate of 8.81% and 8.98% at March 31, 2026 and December 31, 2025, respectively		Weighted average maturity of January 2028 and November 2027 at March 31, 2026 and December 31, 2025, respectively	27,508	28,986
				<u>\$ 679,707</u>	<u>\$ 500,701</u>

**CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

On March 4, 2026, we completed a \$50 million securitization of residual interests from previously issued securitizations. In the transaction, a qualified institutional buyer purchased \$50.0 million of asset-backed notes secured by an 80% interest in a CPS affiliate that owns the residual interests in four CPS securitizations issued from January 2025 through October 2025. The sold notes (“2025-1 Notes”), issued by CPS Auto Securitization Trust 2026-1, consist of a single class with a coupon of 8.75%. At March 31, 2026, there was \$50.0 million outstanding under this facility.

On October 17, 2025, we entered into a \$167.5 million two-year warehouse credit line with Capital One, N.A as the Class A Lender and Oaktree Asset-Backed Income Private Placement Fund Inc., as the Class B Lenders. The facility is structured to allow us to fund a portion of the purchase price of automobile contracts by borrowing from a credit facility to our consolidated subsidiary Page Eleven Funding, LLC. The facility provides for effective advances up to 95.50% of eligible finance receivables. The Class A loans under the facility generally accrue interest during the revolving period at a per annum rate equal to the Term SOFR plus 2.75% per annum, with a minimum rate of 3.00% per annum and during the amortization period at a per annum rate equal to the Term SOFR plus 3.75% per annum, with a minimum rate of 4.00% per annum. The Class B loans under the facility generally accrue interest during the revolving period at a per annum rate equal to the Term SOFR plus 6.40% per annum, with a minimum rate of 6.65% per annum and during the amortization period at a per annum rate equal to the Term SOFR plus 7.40% per annum, with a minimum rate of 7.65% per annum. At March 31, 2026, there was \$167.5 million outstanding under this facility.

On March 20, 2025, we completed a \$65 million securitization of residual interests from previously issued securitizations. In the transaction, a qualified institutional buyer purchased \$65.0 million of asset-backed notes secured by an 80% interest in a CPS affiliate that owns the residual interests in five CPS securitizations issued from October 2023 through September 2024. The sold notes (“2025-1 Notes”), issued by CPS Auto Securitization Trust 2025-1, consist of a single class with a coupon of 11.00%. At March 31, 2026, there was \$62.8 million outstanding under this facility.

On December 19, 2024, we increased the capacity of our revolving credit agreement with Citibank, N.A., to \$335 million. This follows the November 2024 closing of a revolving credit agreement with Oaktree Capital Management, which is subordinate to our credit agreement with Citibank, N.A. The facility provides effective advances up to 10.00% of eligible finance receivables, effectively increasing the advance rate up to 95% across the facility for eligible receivables. The revolving credit agreement with Citibank, N.A. was last renewed in July 2024, extending the maturity date to July 2026 followed by an amortization period through July 2027 for any receivables pledged at the end of the revolving period. There was \$301.2 million outstanding under this facility at March 31, 2026.

On March 29, 2024, we renewed our two-year \$200 million revolving credit agreement with Ares Agent Services, L.P. The revolving period for this facility was extended to March 2026 followed by an amortization period through March 2028 for any receivables pledged at the end of the revolving period. In March 2026, the revolving period was extended to April 2026. There was nothing outstanding under this facility at March 31, 2026.

On March 22, 2024, we completed a \$50 million securitization of residual interests from previously issued securitizations. In the transaction, a qualified institutional buyer purchased \$50.0 million of asset-backed notes secured by an 80% interest in a CPS affiliate that owns the residual interests in five CPS securitizations issued from January 2022 through January 2023. The sold notes (“2024-1 Notes”), issued by CPS Auto Securitization Trust 2024-1, consist of a single class with a coupon of 11.50%. At March 31, 2026, there was \$49.7 million outstanding under this facility.

On June 30, 2021, we completed a \$50 million securitization of residual interests from previously issued securitizations. In this residual interest financing transaction, qualified institutional buyers purchased \$50.0 million of asset-backed notes secured by residual interests in eleven CPS securitizations consecutively issued from January 2018 and September 2020. The sold notes (“2021-1 Notes”), issued by CPS Auto Securitization Trust 2021-1, consist of a single class with a coupon of 7.86%. At March 31, 2026, there was \$21.0 million outstanding under this facility.

Unamortized debt issuance costs of \$2.1 million and \$1.5 million as of March 31, 2026, and December 31, 2025, respectively, have been excluded from the amount reported above for residual interest financing. These debt issuance costs are presented as a direct deduction to the carrying amount of the debt on our Unaudited Condensed Consolidated Balance Sheets.

**CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES**  
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**(5) Interest Income and Interest Expense**

The following table presents the components of interest income:

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<b>(In thousands)</b>	
Interest on finance receivables at fair value	\$ 106,331	\$ 99,567
Other interest income	2,390	2,366
Interest income	<u>\$ 108,721</u>	<u>\$ 101,933</u>

The following table presents the components of interest expense:

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<b>(In thousands)</b>	
Securitization trust debt	\$ 48,756	\$ 45,044
Warehouse lines of credit	6,465	6,513
Residual interest financing	4,155	2,715
Subordinated renewable notes	685	646
Interest expense	<u>\$ 60,061</u>	<u>\$ 54,918</u>

**(6) Earnings Per Share**

Earnings per share for the three-month periods ended March 31, 2026, and 2025 were calculated using the weighted average number of shares outstanding for the related period. The following table reconciles the number of shares used in the computations of basic and diluted earnings per share for the three-month periods ended March 31, 2026, and 2025:

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<b>(In thousands)</b>	
Weighted average number of common shares outstanding during the period used to compute basic earnings per share	21,777	21,444
Incremental common shares attributable to exercise of outstanding options and warrants	1,757	2,881
Weighted average number of common shares used to compute diluted earnings per share	<u>23,534</u>	<u>24,325</u>

If the anti-dilutive effects of common stock equivalents were considered, shares included in the diluted earnings per share calculation for the three-month period ended March 31, 2026, would have included an additional 3.0 million shares attributable to the exercise of outstanding options and warrants. For the three month ended March 31, 2025, 1.4 million shares, would be included in the diluted earnings per share calculation.

**CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(7) Income Taxes**

We file numerous consolidated and separate income tax returns with the United States and with many states. With few exceptions, we are no longer subject to U.S. federal, state, or local examinations by tax authorities for years before 2015.

As of March 31, 2026 and December 31, 2025, we had no unrecognized tax benefits for uncertain tax positions. We do not anticipate that total unrecognized tax benefits will significantly change due to any settlements of audits or expirations of statutes of limitations over the next 12 months.

The Company and its subsidiaries file a consolidated federal income tax return and combined or stand-alone state franchise tax returns for certain states. We utilize the asset and liability method of accounting for income taxes, under which deferred income taxes are recognized for the future tax consequences attributable to the differences between the financial statement values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred tax assets and liabilities are recognized for the future tax consequences of events that have been recognized in the financial statements. A valuation allowance is recognized to reduce a deferred tax asset if, based on the weight of all available evidence, it is more likely than not that some or all of the deferred tax asset will not be realized. When making this judgment, both positive and negative evidence is considered, with the most weight given to evidence that can be objectively verified. The recognition of deferred tax liabilities, however, does not require a similar more likely than not test for realization. They are recognized with the expectation that they will be settled in future periods when the related taxable temporary differences reverse. As of March 31, 2026 we have a net deferred tax asset of \$16,000. Our net deferred tax asset of \$16,000 consists of approximately \$270,000 of net U.S. federal deferred tax liabilities and \$286,000 of net state deferred tax assets.

Income tax expense was \$2.5 million for the three months ended on March 31, 2026, compared to income tax expense of \$2.1 million for the three months ended March 31, 2025, representing an effective income tax rate of 31% in both periods.

**(8) Legal Proceedings**

*Consumer Litigation.* We are routinely involved in various legal proceedings resulting from our consumer finance activities and practices, both continuing and discontinued. Consumers can and do initiate lawsuits against us alleging violations of law applicable to collection of receivables, and such lawsuits sometimes allege that resolution as a class action is appropriate. For the most part, we have legal and factual defenses to consumer claims, which we routinely contest or settle (for immaterial amounts) depending on the particular circumstances of each case.

In general, there can be no assurance as to the outcomes of the matters described above. We record at each measurement date our best estimate of probable incurred losses for legal contingencies, if any. The amount of losses that may ultimately be incurred cannot be estimated with certainty. However, based on such information as is available to us, the Company is not currently a party to any such material proceedings.

Accordingly, we believe that the ultimate resolution of legal proceedings should not have a material adverse effect on our consolidated financial condition. We note, however, that in light of the uncertainties inherent in contested proceedings there can be no assurance that the ultimate resolution of these matters will not be material to our operating results for a particular period, depending on, among other factors, the size of the loss or liability imposed and the level of our income for that period.

**CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(9) Fair Value Measurements**

ASC 820, "Fair Value Measurements" clarifies the principle that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under the standard, fair value measurements would be separately disclosed by level within the fair value hierarchy.

ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The three levels are defined as follows: level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets; level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument; and level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

There were no transfers in or out of level 1, level 2 or level 3 assets and liabilities for the three months ended March 31, 2026, and 2025.

The estimated fair values of financial assets and liabilities, excluding assets carried at fair value, on March 31, 2026 and December 31, 2025, were as follows:

Financial Instrument	As of March 31, 2026				
	Carrying Value	Fair Value Measurements Using:			Total
		Level 1	Level 2	Level 3	
<b>Assets:</b>					
Cash and cash equivalents	\$ 6,944	\$ 6,944	\$ –	\$ –	\$ 6,944
Restricted cash and equivalents	178,469	178,469	–	–	178,469
<b>Liabilities:</b>					
Warehouse lines of credit	\$ 467,138	\$ –	\$ –	\$ 467,138	\$ 467,138
Accrued interest payable	11,842	–	–	11,842	11,842
Residual interest financing	181,383	–	–	192,294	192,294
Securitization trust debt	2,992,157	–	–	3,013,756	3,013,756
Subordinated renewable notes	27,508	–	–	27,508	27,508

Financial Instrument	As of December 31, 2025				
	Carrying Value	Fair Value Measurements Using:			Total
		Level 1	Level 2	Level 3	
<b>Assets:</b>					
Cash and cash equivalents	\$ 6,322	\$ 6,322	\$ –	\$ –	\$ 6,322
Restricted cash and equivalents	165,885	165,885	–	–	165,885
<b>Liabilities:</b>					
Warehouse lines of credit	\$ 324,871	\$ –	\$ –	\$ 324,871	\$ 324,871
Accrued interest payable	11,994	–	–	11,994	11,994
Residual interest financing	142,982	–	–	152,607	152,607
Securitization trust debt	2,986,574	–	–	2,985,961	2,985,961
Subordinated renewable notes	28,986	–	–	28,986	28,986

**CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

***(10) Business Segment Information***

The company has one reportable segment. This determination is made by our Chief Executive Officer, who acts as the chief operating decision-maker (“CODM”), in assessing performance and making decisions regarding resource allocation. The CODM assesses performance by reviewing the consolidated financial statements, which reflect the financial results of our one reportable operating segment.

Within the Company’s one reportable segment, it provides indirect vehicle financing to motor vehicle dealer’s less credit- worthy borrowers. The Company’s revenue primarily consists of interest income and is derived from the interest recorded on contracts the Company has purchased. The revenue generated from any individual borrower is deemed to be immaterial.

***(11) Subsequent Events***

On April 6, 2026, we amended our two-year revolving credit agreement with Capital One, N.A. to increase the capacity of the facility. The amendment applies to both Capital One, N.A. and the subordinate lender, and increases the capacity of the facility from \$167.5 million to \$390 million. The revolving period for this facility will extend to October 2027 after which CPS will have the option to repay the outstanding loans in full or to allow them to amortize for an eighteen-month period.

On April 22, 2026, we completed our second securitization of 2026. In the transaction, qualified institutional buyers purchased \$514.07 million of asset-backed notes secured by \$526.17 million in automobile receivables originated by CPS. The sold notes, issued by CPS Auto Receivables Trust 2026-B, consist of five classes. Ratings of the notes were provided by Moody’s and DBRS Morningstar, and were based on the structure of the transaction, the historical performance of similar receivables and CPS’s experience as a servicer. The weighted average interest rate on the notes is approximately 5.51%.

## Cautionary Note Regarding Forward-Looking Statements

Discussions of certain matters contained in this report may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Exchange Act, and as such, may involve risks and uncertainties. You can generally identify forward-looking statements as statements containing the words “will,” “would,” “believe,” “may,” “could,” “expect,” “anticipate,” “intend,” “estimate,” “judgment,” “assume,” “plans,” “goals,” “strategy,” “future,” “likely,” “should” or other similar expressions.

Examples of forward-looking statements include, among others, statements we make regarding:

- charge-offs and recovery rates;
- the willingness or ability of obligors to pay pursuant to contractual terms;
- our ability to enforce rights under contracts;
- our ability to and rates at which we plan to acquire automobile contracts;
- the anticipated levels of recoveries upon sale of repossessed vehicles;
- revenues or expenses;
- provisions for credit losses;
- expected industry and general economic trends;
- accrued losses for legal contingencies;
- anticipated deferred tax assets;
- estimates of taxable income;
- our ability to service and repay our debt;
- the structuring of securitization transactions as secured financings and the effects of such structures on financial items and future profitability; or
- the effect of the change in structure on our profitability and the duration of the period in which our profitability would be affected by the change in securitization structure.

Our actual results, performance and achievements may differ materially from the results, performance and achievements expressed or implied in such forward-looking statements. Some of the factors that might cause such a difference include, but are not limited to, the following:

- unexpected exogenous events, such as a widespread public health emergency;
- mandates imposed in reaction to such events, such as prohibitions of otherwise permissible activity;
- changes in general economic conditions;
- changes in performance of our automobile contracts;
- increases in interest rates;
- our ability to generate sufficient operating and financing cash flows;
- competition;
- the level of losses incurred on contracts in our managed portfolio;
- adverse decisions by courts or regulators;
- regulatory changes with respect to consumer finance;
- changes in the market for used vehicles;
- levels of cash releases from existing pools of contracts;
- the terms on which we are able to finance contract purchases;
- the willingness or ability of dealers to assign contracts to us on acceptable terms;
- the terms on which we are able to complete term securitizations once contracts are acquired;
- any breach in the security of our systems; and
- such other factors as discussed through the “Risk Factors” section of this report.

Forward-looking statements are neither historical facts nor guarantees of performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, plans and strategies, projections, anticipated events and trends, the economy and other uncertain conditions. Because forward-looking statements relate to the future, they involve risks, uncertainties and assumptions. Actual results may differ from expectations due to many factors beyond our ability to control or predict, including those described herein, and in any documents incorporated by reference in this report. Therefore, you should not rely on any of these forward-looking statements. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

We undertake no obligation to publicly update any forward-looking information. You are advised to consult any additional disclosure we make in our periodic reports filed with the SEC.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Overview

We are a specialty finance company. Our business is to purchase and service retail automobile contracts originated primarily by franchised automobile dealers and, to a lesser extent, by select independent dealers in the United States in the sale of new and used automobiles, light trucks and passenger vans. Through our automobile contract purchases, we provide indirect financing to the customers of dealers who have limited credit histories or past credit problems, who we refer to as sub-prime customers. We serve as an alternative source of financing for dealers, facilitating sales to customers who otherwise might not be able to obtain financing from traditional sources, such as commercial banks, credit unions and the captive finance companies affiliated with major automobile manufacturers. In addition to purchasing installment purchase contracts directly from dealers, we have also (i) originated vehicle purchase money loans by lending directly to consumers, (ii) acquired installment purchase contracts in four merger and acquisition transactions, and (iii) purchased immaterial amounts of vehicle purchase money loans from non-affiliated lenders. In this report, we refer to all of such contracts and loans as "automobile contracts."

We were incorporated and began our operations in March 1991. From inception through March 31, 2026, we have originated a total of approximately \$25.2 billion of automobile contracts from dealers, and to a lesser degree, by originating loans secured by automobiles directly with consumers. Our recent history of contract purchase volumes and managed portfolio levels are shown in the table below. Managed portfolio comprises both contracts we owned and those we were servicing for third parties.

### Contract Purchases and Outstanding Managed Portfolio

Period	\$ in thousands	
	Contracts Purchased in Period	Managed Portfolio at Period End
2021	1,146,321	2,249,069
2022	1,854,385	3,001,308
2023	1,357,752	3,194,623
2024	1,681,941	3,665,725
2025	1,638,326	3,898,425
Three months ended March 31, 2026	533,220	4,058,335

Our principal executive offices are in Las Vegas, Nevada. Most of our operational and administrative functions take place in Irvine, California. Credit and underwriting functions are performed primarily in that California branch with certain of these functions also performed in our Florida, Nevada, and Virginia branches. We service our automobile contracts from our California, Nevada, Virginia, Florida and Illinois branches.

The programs we offer to dealers and consumers are intended to serve a wide range of sub-prime customers, primarily through franchised new car dealers. We originate automobile contracts with the intention of financing them on a long-term basis through securitizations. Securitizations are transactions in which we sell a specified pool of contracts to a special purpose subsidiary of ours, which in turn issues asset-backed securities to fund the purchase of the pool of contracts from us.

## Securitization and Warehouse Credit Facilities

Throughout the period for which information is presented in this report, we have purchased automobile contracts with the intention of financing them on a long-term basis through securitizations, and on an interim basis through warehouse credit facilities. All such financings have involved identification of specific automobile contracts, sale of those automobile contracts (and associated rights) to one of our special-purpose subsidiaries, and issuance of asset-backed securities to be purchased by institutional investors. Depending on the structure, these transactions may be accounted for under generally accepted accounting principles as sales of the automobile contracts or as secured financings. All of our active securitizations are structured as secured financings.

When structured to be treated as a secured financing for accounting purposes, the subsidiary is consolidated with us. Accordingly, the sold automobile contracts and the related debt appear as assets and liabilities, respectively, on our consolidated balance sheet. We then periodically (i) recognize interest and fee income on the contracts, and (ii) recognize interest expense on the securities issued in the transaction. For automobile contracts acquired after 2017 we take account of estimated credit losses in our computation of a level yield used to determine recognition of interest on the contracts. For contracts acquired before 2018, we adopted CECL on January 1, 2020, and we may, as circumstances warrant, record or reverse expense provisions for credit losses.

Since 1994 we have conducted 108 term securitizations of automobile contracts that we originated. As of March 31, 2026, 19 of those securitizations are active and all are structured as secured financings. We generally conduct our securitizations on a quarterly basis, near the beginning of each calendar quarter, resulting in four securitizations per calendar year.

Our recent history of term securitizations is summarized in the table below:

### Recent Asset-Backed Term Securitizations

Period	\$ in thousands	
	Number of Term Securitizations	Receivables Pledged in Term Securitizations
2020	4	741,867
2021	3	1,145,002
2022	4	1,537,383
2023	4	1,352,114
2024	4	1,533,854
2025	4	1,727,785
Three months ended March 31, 2026	1	352,664

Generally, prior to a securitization transaction we fund our automobile contract purchases primarily with proceeds from warehouse credit facilities. We currently have short-term funding capacity of \$702.5 million over three credit facilities. The first credit facility was established in May 2012. This facility was most recently renewed in July 2024, extending the revolving period to July 2026, with an optional amortization period through July 2027. In addition, the capacity was increased from \$200 million to \$335 million in December 2024.

In November 2015, we entered into a \$100 million facility with Ares Agent Services, L.P. In June 2022, we increased the capacity of our credit agreement from \$100 million to \$200 million. This facility was most recently renewed in March 2024, extending the revolving period to March 2026, followed by an amortization period to March 2028. In March 2026, the revolving period was extended to April 2026. There was nothing outstanding under this facility at March 31, 2026.

In October 2025, we entered into a new \$167.5 million facility. This facility has a two year revolving period to October 2027, with an optional amortization period through April 2029.

In a securitization and in our warehouse credit facilities, we are required to make certain representations and warranties, which are generally similar to the representations and warranties made by dealers in connection with our purchase of the automobile contracts. If we breach any of our representations or warranties, we may be required to repurchase the automobile contract at a price equal to the principal balance plus accrued and unpaid interest. We may then be entitled under the terms of our dealer agreement to require the selling dealer to repurchase the contract at a price equal to our purchase price, less any principal payments made by the customer. Subject to any recourse against dealers, we will bear the risk of loss on repossession and resale of vehicles under automobile contracts that we repurchase.

In a securitization, the related special purpose subsidiary may be unable to release excess cash to us if the credit performance of the securitized automobile contracts falls short of pre-determined standards. Such releases represent a material portion of the cash that we use to fund our operations. An unexpected deterioration in the performance of securitized automobile contracts could therefore have a material adverse effect on both our liquidity and results of operations.

In addition, from time to time, we have also completed financings of our residual interests in other securitizations that we and our affiliates previously sponsored. On March 4, 2026, we completed a \$50 million securitization of residual interests from previously issued securitizations. In the transaction, qualified institutional buyers purchased \$50.0 million of asset-backed notes secured by an 80% interest in a CPS affiliate that owns the residual interests in four CPS securitizations issued from January 2025 through October 2025. The sold notes ("2026-1 Notes"), issued by CPS Auto Securitization Trust 2026-1, consist of a single class with a coupon of 8.75%.

Receivables we originate and service for third parties are not pledged to our warehouse facilities or included in our securitizations.

### **Financial Covenants**

Our warehouse credit facilities and our residual interest financings contain various financial covenants requiring certain minimum financial ratios. Such covenants include maintaining minimum levels of liquidity and net worth and not exceeding maximum leverage levels. In addition, certain securitization and non-securitization related debt contain cross-default provisions that would allow certain creditors to declare a default if a default occurred under a different facility. As of March 31, 2026 we were in compliance with all such financial covenants.

### **Results of Operations**

*Comparison of Operating Results for the three months ended March 31, 2026, with the three months ended March 31, 2025*

*Revenues.* During the three months ended March 31, 2026, our revenues were \$112.3 million, an increase of \$5.5 million, or 5.1% from the prior year revenue of 106.9 million. The primary reason for the increase in revenues is the increase in interest income resulting from the increase in the average outstanding balance of finance receivables measured at fair value. Revenues for the three months ended March 31, 2026, did not include a mark to the recorded value of the finance receivables measured at fair value. Marks are estimates based on our evaluation of the appropriate fair value and future earnings rate of existing receivables compared to recently acquired receivables and increases or decreases in our estimates of future net losses. In the current period, our re-evaluation of the fair values of these receivables resulted in no marks to finance receivables measured at fair value. There was a \$3.5 million mark up to the fair value portfolio in the prior year period.

Interest income for the three months ended March 31, 2026, increased \$6.8 million, or 6.7% to \$108.7 million from \$101.9 million in the prior year. The primary reason for the increase in interest income is the 7.9% increase in the average balance of our loan portfolio over the prior year period. The interest yield on our total loan portfolio decreased to 11.3% from 11.4% in the prior year period. The interest yield on receivables measured at fair value is reduced to take account of expected losses and is therefore less than the yield on other finance receivables. The table below shows the average balance and interest yield of our loan portfolio for the three months ended March 31, 2026 and 2025:

	<b>Three Months Ended March 31,</b>					
	<b>2026</b>			<b>2025</b>		
	<b>Average Balance</b>	<b>Interest</b>	<b>Interest Yield</b>	<b>Average Balance</b>	<b>Interest</b>	<b>Interest Yield</b>
<b>(Dollars in Thousands)</b>						
<b>Interest Earning Assets</b>						
Loan Portfolio	\$ 3,853,746	\$ 108,721	11.3%	\$ 3,572,642	\$ 101,933	11.4%

Other income was \$3.6 million for the three months ended March 31, 2026, compared to \$1.4 million for the comparable period in 2025. This \$2.2 million increase was primarily driven by the dealer recoveries collected for the three months ending March 31, 2026. These dealer recoveries were \$2.3 million for the quarter ended March 31, 2026. There were no dealer recoveries in the prior year period. The Company engaged a third party that identifies discrepancies in the values of the vehicles that have been repossessed and sold at auction. The third party attempts to collect the amount of the discrepancy from the dealers and remits the amounts collected to the Company net of fees charged.

*Expenses.* Our operating expenses consist largely of interest expenses, employee costs, sales and general and administrative expenses. Interest expense is affected by the volume of automobile contracts we purchased during the trailing 12-month period and the use of our warehouse facilities and asset-backed securitizations to finance those contracts and on the interest rates on these facilities. Employee costs and general and administrative expenses are incurred as applications and automobile contracts are received, processed and serviced. Factors that affect margins and net income include changes in the automobile and automobile finance market environments, and macroeconomic factors such as interest rates and changes in the unemployment level.

Employee costs include base salaries, commissions and bonuses paid to employees, and certain expenses related to the accounting treatment of outstanding stock options and are one of our most significant operating expenses. These costs (other than those relating to stock options) generally fluctuate with the level of applications and automobile contracts purchased and serviced.

Other operating expenses consist largely of facilities expenses, telephone and other communication services, credit services, computer services, sales and advertising expenses, and depreciation and amortization.

Total operating expenses were \$104.3 million for the three months ended March 31, 2026, compared to \$100.1 million for the prior period, an increase of \$4.2 million, or 4.2%. The increase is primarily due to increases in interest expense.

Employee costs were \$23.0 million during the three months ended March 31, 2026, compared to \$25.0 million for the same quarter in the prior year, a decrease of \$2.0 million, or 7.9%. The table below summarizes our employees by category as well as contract purchases and units in our managed portfolio as of, and for the three-month periods ended, March 31, 2026, and 2025.

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<b>(Dollars in millions)</b>	
Contracts purchased (dollars)	\$ 533.2	\$ 451.2
Contracts purchased (units)	23,919	20,707
Managed portfolio outstanding (dollars)	\$ 3,942.2	\$ 3,614.6
Managed portfolio outstanding (units)	220,310	207,123
Number of Originations staff	191	200
Number of Sales staff	149	120
Number of Servicing staff	546	559
Number of other staff	70	64
Total number of employees	<u>956</u>	<u>943</u>

Increases in headcount among our Sales staff during the three-month period ended, March 31, 2026, and the decrease from the prior year period in the average cost of our Servicing staff, were the largest contributing factors to the increase in headcount and decrease to employee costs for the three-month period ended, March 31, 2026 compared to the prior year period.

General and administrative expenses include costs associated with purchasing and servicing our portfolio of finance receivables, including expenses for facilities, credit services, and telecommunications. General and administrative expenses were \$12.9 million, a decrease of \$345,000 from \$12.6 million in the prior year period.

Interest expense for the three months ended March 31, 2026, was \$60.1 million and represented 57.6% of total operating expenses, compared to \$54.9 million in the previous year, when it was 54.9% of total operating expenses.

Interest on securitization trust debt increased by \$3.7 million for the three months ended March 31, 2026, compared to the prior period. The average balance of securitization trust debt increased to \$3,127.4 million for the three months ended March 31, 2026, compared to \$2,861.9 million for the three months ended March 31, 2025. The annualized average rate on our securitization trust debt was 6.2% for the three months ended March 31, 2026, compared to 6.3% in the prior year period. For each quarterly securitization transaction, the blended cost of funds is ultimately the result of many factors including the market interest rates for benchmark swaps of various maturities against which our bonds are priced and the margin over those benchmarks that investors are willing to accept, which in turn, is influenced by investor demand for our bonds at the time of the securitization. These and other factors have resulted in fluctuations in our securitization trust debt interest costs. The blended interest rates of our recent securitizations are summarized in the table below:

**Blended Cost of Funds on Recent Asset-Backed Term Securitizations**

Period	Blended Cost of Funds
January 2023	6.48%
April 2023	7.17%
July 2023	7.13%
October 2023	7.89%
January 2024	6.51%
April 2024	6.69%
June 2024	6.56%
September 2024	5.52%
January 2025	5.88%
May 2025	5.96%
July 2025	5.43%
October 2025	5.72%
January 2026	5.18%

Interest expense on warehouse credit line debt was \$6.5 million for the three months ended March 31, 2026, and in the same period prior year period. The average balance of our warehouse debt was \$276.0 million during the three months ended March 31, 2026, compared to \$275.8 million for the same period in 2025. The annualized average rate on our credit line debt was 9.4% for the three months ended March 31, 2026, consistent with the same period in the prior year.

Interest expense on subordinated renewable notes was \$685,000 for the three months ended March 31, 2026. The average balance of the outstanding subordinated debt was \$28.7 million for the three months March 31, 2026, compared to \$26.9 million for the prior year period. The average yield of subordinated notes is 9.6% for both current and the prior period.

In June 2021, March 2024, March 20, 2025, and again on March 4, 2026 we completed a securitization of residual interests from other previously issued securitizations in the amount of \$50 million, \$50 million, \$65 million, and \$50 million, respectively. Interest expense for these residual interest financings was \$4.2 million for the three months ended March 31, 2026, compared to \$2.7 million for the same period in 2025.

The following table presents the components of interest income and interest expense and a net interest yield analysis for the three-month periods ended March 31, 2026, and 2025:

	Three Months Ended March 31,					
	2026			2025		
	(Dollars in thousands)					
	Average Balance (1)	Interest	Annualized Average Yield/Rate	Average Balance (1)	Interest	Annualized Average Yield/Rate
<b><u>Interest Earning Assets</u></b>						
Loan Portfolio	\$ 3,853,746	\$ 108,721	11.3%	\$ 3,572,642	\$ 101,933	11.4%
<b><u>Interest Bearing Liabilities</u></b>						
Warehouse lines of credit	\$ 275,980	6,465	9.4%	\$ 275,816	6,513	9.4%
Residual interest financing	154,594	4,155	10.8%	108,667	2,715	10.0%
Securitization trust debt	3,127,388	48,756	6.2%	2,861,870	45,044	6.3%
Subordinated renewable notes	28,652	685	9.6%	26,945	646	9.6%
	<u>\$ 3,586,614</u>	<u>60,061</u>	<u>6.7%</u>	<u>\$ 3,273,298</u>	<u>54,918</u>	<u>6.7%</u>
Net interest income/spread		<u>\$ 48,660</u>			<u>\$ 47,015</u>	
Net interest yield (2)			4.6%			4.7%
Ratio of average interest earning assets to average interest bearing liabilities			107%			109%

(1) Average balances are based on month end balances except for warehouse lines of credit, which are based on daily balances.

(2) Annualized net interest income divided by average interest earning assets.

**Three Months Ended March 31, 2026  
Compared to March 31, 2025**

	<b>Total Change</b>	<b>Change Due to Volume</b>	<b>Change Due to Rate</b>
<b>(In thousands)</b>			
<b><u>Interest Earning Assets</u></b>			
Loan Portfolio	\$ 6,788	\$ 7,751	(963)
<b><u>Interest Bearing Liabilities</u></b>			
Warehouse lines of credit	(48)	(48)	–
Residual interest financing	1,440	1,131	309
Securitization trust debt	3,712	4,494	(782)
Subordinated renewable notes	39	39	–
	<u>5,143</u>	<u>5,616</u>	<u>(473)</u>
Net interest income/spread	<u>\$ 1,645</u>	<u>\$ 2,135</u>	<u>\$ (490)</u>

Under the fair value method of accounting, we recognize interest income net of expected credit losses. Thus, no provision for credit loss expense is recorded for finance receivables measured at fair value. Finance receivables acquired before 2018 are recorded at cost, and both their total balance and activity is immaterial.

Sales expenses consist primarily of commission-based compensation paid to our employee sales representatives. Our sales representatives earn a salary plus commission based on volume of contract purchases. Sales expense increased by \$641,000 to \$6.6 million during the three months ended March 31, 2026, from \$5.9 million for the same quarter in 2025. We purchased \$533.2 million of new contracts during the three months ended March 31, 2026, compared to \$451.2 million in the prior year period.

Occupancy expenses were \$1.5 million for the three months ending March 31, 2026, which is up from \$1.4 million in the first quarter of 2025.

Depreciation and amortization expenses decreased to \$225,000 compared to \$249,000 in the previous year.

For the three months ended March 31, 2026, we recorded income tax expense of \$2.5 million, representing a 31% effective tax rate. In the prior period, our income tax expense was \$2.1 million, representing a 31% effective tax rate.

***Credit Experience***

Our financial results are dependent on the performance of the automobile contracts in which we retain an ownership interest. Broad economic factors such as recession and significant changes in unemployment levels influence the credit performance of our portfolio, as does the weighted average age of the receivables at any given time. The tables below document the delinquency, repossession and net credit loss experience of all such automobile contracts that we originated or own an interest in as of the respective dates shown.

**Delinquency, Repossession and Extension Experience (1)  
Total Managed Portfolio (Excludes Third Party Portfolio)**

	March 31, 2026		March 31, 2025		December 31, 2025	
	Number of Contracts	Amount	Number of Contracts	Amount	Number of Contracts	Amount
<b>(Dollars in thousands)</b>						
<b>Delinquency Experience</b>						
Gross servicing portfolio (1)	220,310	\$ 3,942,218	207,123	\$ 3,614,555	212,718	\$ 3,778,647
Period of delinquency (2)						
31-60 days	12,551	217,661	11,800	195,595	15,639	272,499
61-90 days	5,262	86,272	6,020	95,712	7,163	118,304
91+ days	3,426	48,929	4,161	61,037	3,806	56,223
Total delinquencies (2)	21,239	352,862	21,981	352,344	26,608	447,026
Amount in repossession (3)	7,098	103,555	6,214	93,997	7,462	111,152
Total delinquencies and amount in repossession (2)	28,337	\$ 456,417	28,195	\$ 446,341	34,070	\$ 558,178
Delinquencies as a percentage of gross servicing portfolio	9.64%	8.95%	10.61%	9.75%	12.51%	11.83%
Total delinquencies and amount in repossession as a percentage of gross servicing portfolio	12.86%	11.58%	13.61%	12.35%	16.02%	14.77%
<b>Extension Experience</b>						
Contracts with one extension, accruing	38,462	\$ 713,435	34,239	\$ 616,697	41,504	\$ 759,863
Contracts with two or more extensions, accruing	55,411	903,092	47,578	716,420	58,326	927,980
	93,873	1,616,527	81,817	1,333,117	99,830	1,687,843
Contracts with one extension, non-accrual (4)	2,495	36,432	3,203	48,729	3,008	45,848
Contracts with two or more extensions, non-accrual (4)	5,259	76,649	4,122	61,109	5,285	77,351
	7,754	113,081	7,325	109,838	8,293	123,199
Total contracts with extensions	101,627	\$ 1,729,608	89,142	\$ 1,442,955	108,123	\$ 1,811,043

- (1) All amounts and percentages are based on the amount remaining to be repaid on each automobile contract. The information in the table represents the gross principal amount of all automobile contracts we have purchased, including automobile contracts subsequently sold in securitization transactions that we continue to service. The table does not include certain contracts we have serviced for third parties on which we earn servicing fees only and have no credit risk.
- (2) We consider an automobile contract delinquent when an obligor fails to make at least 90% of a contractually due payment by the following due date, which date may have been extended within limits specified in the Servicing Agreements. The period of delinquency is based on the number of days payments are contractually past due. Automobile contracts less than 31 days delinquent are not included. The delinquency aging categories shown in the tables reflect the effect of extensions.
- (3) Amount in repossession represents financed vehicles that have been repossessed but not yet liquidated.
- (4) Amount in repossession and accounts past due more than 90 days are on non-accrual.

**Net Charge-Off Experience (1)**  
**Total Managed Portfolio (Excludes Third Party Portfolio)**

**Finance Receivables Portfolio**

	<b>March 31, 2026</b>	<b>March 31, 2025</b>	<b>December 31, 2025</b>
	<b>(Dollars in thousands)</b>		
Average servicing portfolio outstanding	\$ 3,853,746	\$ 3,572,642	\$ 3,693,796
Annualized net charge-offs as a percentage of average servicing portfolio (2)	8.57%	7.54%	7.76%

(1) All amounts and percentages are based on the principal amount scheduled to be paid on each automobile contract.

(2) Net charge-offs include the remaining principal balance, after the application of the net proceeds from the liquidation of the vehicle (excluding accrued and unpaid interest) and amounts collected subsequent to the date of charge-off, including some recoveries which have been classified as other income in the accompanying interim consolidated financial statements. March 31, 2026, and March 31, 2025, percentages represent three months ended March 31, 2026, and March 31, 2025, annualized. December 31, 2025, represents 12 months ended December 31, 2025.

**Extensions**

In certain circumstances we will grant obligors one-month payment extensions to assist them with temporary cash flow problems. In general, an obligor will not be permitted more than two such extensions in any 12-month period and no more than eight over the life of the contract. The only modification of terms is to advance the obligor's next due date, generally by one month, though in some cases we may permit a longer extension, and in any case an advance in the maturity date corresponding to the advance of the due date. There are no other concessions such as a reduction in interest rate, forgiveness of principal or of accrued interest. Accordingly, we consider such extensions to be insignificant delays in payments.

The basic question in deciding to grant an extension is whether or not we will (a) be delaying the inevitable repossession and liquidation or (b) risk losing the vehicle as a result of not being able to locate the obligor and vehicle. In both of those situations, the loss would likely be higher than if the vehicle had been repossessed without the extension. The benefits of granting an extension include minimizing current losses and delinquencies, minimizing lifetime losses, getting the obligor's account current (or close to it) and building goodwill so that the obligor might prioritize us over other creditors on future payments. Our servicing staff are trained to identify when a past due obligor is facing a temporary problem that may be resolved with an extension. In some cases, the extension will be granted in conjunction with our receiving all or a portion of a past due payment from the obligor, thereby indicating an additional monetary and psychological commitment to the contract on the obligor's part.

The credit assessment for granting an extension is initially made by our collector, who bases the recommendation on the collector's discussions with the obligor. In such assessments the collector will consider, among other things, the following factors: (1) the reason the obligor has fallen behind in payments; (2) whether or not the reason for the delinquency is temporary, and if it is, have conditions changed such that the obligor can begin making regular monthly payments again after the extension; (3) the obligor's past payment history, including past extensions if applicable; and (4) the obligor's willingness to communicate and cooperate on resolving the delinquency. If the collector believes the obligor is a good candidate for an extension, he must obtain approval from his supervisor, who will review the same factors stated above prior to offering the extension to the obligor. During 2020 we incorporated an algorithmic extension score card which provides our staff with an objective and quantitative assessment of whether or not a obligor is a good candidate for an extension, based on the current circumstances of the account. The extension score card was developed by our internal risk management team and is derived from the post-extension performance of accounts in our managed portfolio.

After receiving an extension, an account remains subject to our normal policies and procedures for interest accrual, reporting delinquency and recognizing charge-offs. We believe that a prudent extension program is an integral component to mitigating losses in our portfolio of sub-prime automobile receivables. The table below summarizes the status, as of March 31, 2026, for accounts that received extensions from 2014 through 2025:

<b>Period of Extension</b>	<b># Extensions Granted</b>	<b>Active or Paid Off at March 31, 2026</b>	<b>% Active or Paid Off at March 31, 2026</b>	<b>Charged Off &gt; 6 Months After Extension</b>	<b>% Charged Off &gt; 6 Months After Extension</b>	<b>Charged Off &lt;= 6 Months After Extension</b>	<b>% Charged Off &lt;= 6 Months After Extension</b>	<b>Avg Months to Charge Off Post Extension</b>
2014	25,773	10,417	40.4%	14,486	56.2%	869	3.4%	25
2015	53,319	21,929	41.1%	30,058	56.4%	1,329	2.5%	26
2016	80,897	34,902	43.1%	43,007	53.2%	2,954	3.7%	26
2017	133,847	54,601	40.8%	68,336	51.1%	10,712	8.0%	23
2018	121,531	55,545	45.7%	53,641	44.1%	11,879	9.8%	20
2019	71,548	40,404	56.5%	22,951	32.1%	7,411	10.4%	20
2020	83,170	53,727	64.6%	25,121	30.2%	4,032	4.8%	24
2021	47,010	31,276	66.5%	14,498	30.8%	1,236	2.6%	24
2022	56,142	34,232	61.0%	19,956	35.5%	1,954	3.5%	20
2023	83,113	51,205	61.6%	28,649	34.5%	3,259	3.9%	17
2024	90,484	67,956	75.1%	19,887	22.0%	2,641	2.9%	13
2025	110,200	102,293	92.8%	4,854	4.4%	3,053	2.8%	6

*Note: Table excludes extensions on portfolios serviced for third parties*

We view these results as a confirmation of the effectiveness of our extension program. We consider accounts that have had extensions and were active or paid off as of March 31, 2026, to be successful. Successful extensions result in continued payments of interest and principal (including payment in full in many cases). Without the extension, however, the account may have defaulted, and we would have likely incurred a substantial loss and no additional interest revenue.

For extension accounts that ultimately charged off, we consider accounts that charged off more than six months after the extension to be at least partially successful. In such cases, despite the ultimate loss, we received additional payments of principal and interest that otherwise we would not have received.

Additional information about our extensions is provided in the tables below:

	<b>Three Months Ended March 31, 2026</b>	<b>Three Months Ended March 31, 2025</b>	<b>Year Ended December 31, 2025</b>
Average number of extensions granted per month	10,233	7,390	9,183
Average number of outstanding accounts	216,170	205,203	210,100
Average monthly extensions as % of average outstandings	4.7%	3.6%	4.4%

*Note: Table excludes portfolios originated and owned by third parties*

	<b>March 31, 2026</b>		<b>March 31, 2025</b>		<b>December 31, 2025</b>	
	<b>Number of Contracts</b>	<b>Amount</b>	<b>Number of Contracts</b>	<b>Amount</b>	<b>Number of Contracts</b>	<b>Amount</b>
			<b>(Dollars in thousands)</b>			
Contracts with one extension	40,957	\$ 749,867	37,442	\$ 665,427	41,504	\$ 759,863
Contracts with two extensions	24,606	433,061	22,345	377,895	24,171	421,363
Contracts with three extensions	15,304	252,937	13,685	221,613	14,963	246,175
Contracts with four extensions	9,975	156,060	7,785	108,780	9,490	146,777
Contracts with five extensions	6,326	91,211	4,586	46,605	5,754	77,884
Contracts with six extensions	4,459	46,473	3,299	22,635	3,948	35,781
	<u>101,627</u>	<u>\$ 1,729,609</u>	<u>89,142</u>	<u>\$ 1,442,955</u>	<u>99,830</u>	<u>\$ 1,687,843</u>
Managed portfolio (excluding originated and owned by 3rd parties)	220,310	\$ 3,942,218	207,123	\$ 3,614,555	212,718	\$ 3,778,647

*Note: Table excludes portfolios originated and owned by third parties*

Since 2019, we have been able to reduce extensions by working with our servicing staff to be more selective in granting extensions including, where appropriate, to exhaust all possibilities of payment by the customer before granting an extension. However, as delinquency rates have risen, so has the average number of extensions granted.

#### **Non-Accrual Receivables**

It is not uncommon for our obligors to fall behind in their payments. However, with the diligent efforts of our servicing staff and systems for managing our collection efforts, we regularly work with our customers to resolve delinquencies. Our staff is trained to employ a counseling approach to assist our customers with their cash flow management skills and help them to prioritize their payment obligations to avoid losing their vehicle to repossession. Through our experience, we have learned that once a contract becomes greater than 90 days past due, it is more likely than not that the delinquency will not be resolved and will ultimately result in a charge-off. Contracts originated since January 2018 are accounted for at fair value and the economic impact of late payments is incorporated into the estimated net yield on those contracts.

## Liquidity and Capital Resources

Our business requires substantial cash to support our purchases of automobile contracts and other operating activities. Our primary sources of cash have been cash flows from the proceeds from term securitization transactions and other sales of automobile contracts, amounts borrowed under various revolving credit facilities (also sometimes known as warehouse credit facilities), customer payments of principal and interest on finance receivables, fees for origination of automobile contracts, and releases of cash from securitization transactions and their related spread accounts. Our primary uses of cash have been the purchases of automobile contracts, repayment of amounts borrowed under lines of credit, securitization transactions and otherwise, operating expenses such as employee, interest, occupancy expenses and other general and administrative expenses, the establishment of spread accounts and initial overcollateralization, if any, the increase of credit enhancement to required levels in securitization transactions, and income taxes. There can be no assurance that internally generated cash will be sufficient to meet our cash demands. The sufficiency of internally generated cash will depend on the performance of securitized pools (which determines the level of releases from those pools and their related spread accounts), the rate of expansion or contraction in our managed portfolio, and the terms upon which we are able to acquire and borrow against automobile contracts.

Net cash provided by operating activities for the three-month period ended March 31, 2026 was \$83.8 million, an increase of \$9.9 million, compared to net cash provided by operating activities for the three-month period ended March 31, 2025 of \$73.9 million. Net cash from operating activities is generally provided by net income from operations adjusted for significant non-cash items such as our provision for credit losses and marks to finance receivables measured at fair value.

Net cash used in investing activities was \$250.7 million for the three months ended March 31, 2026 compared to \$194.1 million in the prior year period. Net cash used in investing activities generally relates to new purchases of automobile contracts net of principal payments and other proceeds received during the period. Purchases of finance receivables excluding acquisition fees were \$524.9 million and \$449.6 million during the first three months of 2026 and 2025, respectively.

Net cash provided by financing activities for the three months ended March 31, 2026 was \$180.1 million compared to \$166.3 million in the prior year period. Cash provided by financing activities is primarily related to the issuance of securitization trust debt, reduced by the amount of repayment of securitization trust debt and net proceeds or repayments on our warehouse lines of credit and other debt. In the first three months of 2026, we issued \$345.6 million in new securitization trust debt compared to \$442.4 million for the same period in 2025. We repaid \$340.2 million in securitization trust debt in the three months ended March 31, 2026 compared to repayments of securitization trust debt of \$293.0 million in the prior year period. In the three months ended March 31, 2026, we had net advances on warehouse lines of credit of \$141.5 million, compared to net repayments from warehouse lines of credit of \$45.8 million in the prior year's period.

We purchase automobile contracts from dealers for a cash price approximately equal to their principal amount, adjusted for an acquisition fee which may either increase or decrease the automobile contract purchase price. Those automobile contracts generate cash flow, however, over a period of years. We have been dependent on warehouse credit facilities to purchase automobile contracts and our securitization transactions for long term financing of our contracts. In addition, we have accessed other sources, such as residual financings and subordinated debt in order to finance our continuing operations.

The acquisition of automobile contracts for subsequent financing in securitization transactions, and the need to fund spread accounts and initial overcollateralization, if any, and increase credit enhancement levels when those transactions take place, results in a continuing need for capital. The amount of capital required is most heavily dependent on the rate of our automobile contract purchases, the required level of initial credit enhancement in securitizations, and the extent to which the previously established trusts and their related spread accounts either release cash to us or capture cash from collections on securitized automobile contracts. Of those, the factor most subject to our control is the rate at which we purchase automobile contracts.

We are and may in the future be limited in our ability to purchase automobile contracts due to limits on our capital. As of March 31, 2026, we had unrestricted cash of \$6.9 million and \$178.5 million aggregate available borrowings under our three warehouse credit facilities (assuming the availability of sufficient eligible collateral). As of March 31, 2026, we had approximately \$5.3 million of such eligible collateral. Our plans to manage our liquidity include maintaining our rate of automobile contract purchases at a level that matches our available capital, and, as appropriate, minimizing our operating costs. During the three-month period ended March 31, 2026, we completed one securitizations aggregating \$345.6 million of notes sold.

Our liquidity will also be affected by releases of cash from the trusts established with our securitizations. While the specific terms and mechanics of each spread account vary among transactions, our securitization agreements generally provide that we will receive excess cash flows, if any, only if the amount of credit enhancement has reached specified levels and the net losses related to the automobile contracts in the pool are below certain predetermined levels. In the event delinquencies or net losses on the automobile contracts exceed such levels, the terms of the securitization may require increased credit enhancement to be accumulated for the particular pool. There can be no assurance that collections from the related trusts will continue to generate sufficient cash.

Our warehouse credit facilities contain various financial covenants requiring certain minimum financial ratios and results. Such covenants include maintaining minimum levels of liquidity and net worth and not exceeding maximum leverage levels. In addition, certain of our debt agreements other than our term securitizations contain cross-default provisions. Such cross-default provisions would allow the respective creditors to declare a default if an event of default occurred with respect to other indebtedness of ours, but only if such other event of default were to be accompanied by acceleration of such other indebtedness. As of March 31, 2026, we were in compliance with all such financial covenants.

We currently have and will continue to have a substantial amount of outstanding indebtedness. At March 31, 2026, we had approximately \$3,668.2 million of debt outstanding. Such debt consisted primarily of \$2,992.2 million of securitization trust debt, and also included \$467.1 million of warehouse lines of credit, \$181.4 million of residual interest financing debt and \$27.5 million in subordinated renewable notes.

Although we believe we are able to service and repay our debt, there is no assurance that we will be able to do so. If our plans for future operations do not generate sufficient cash flows and earnings, our ability to make required payments on our debt would be impaired. If we fail to pay our indebtedness when due, it could have a material adverse effect on us and may require us to issue additional debt or equity securities.

#### **Item 4. Controls and Procedures**

We maintain a system of internal controls and procedures designed to provide reasonable assurance as to the reliability of our published financial statements and other disclosures included in this report. As of the end of the period covered by this report, we evaluated the effectiveness of the design and operation of such disclosure controls and procedures. Based upon that evaluation, the principal executive officer (Charles E. Bradley, Jr.) and the principal financial officer (Denesh Bharwani) concluded that the disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, material information relating to us that is required to be included in our reports filed under the Securities Exchange Act of 1934. There has been no change in our internal controls over financial reporting during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### Item 1. *Legal Proceedings*

The information provided under the caption “Legal Proceedings,” Note 8 to the Unaudited Condensed Consolidated Financial Statements, included in Part I of this report, is incorporated herein by reference.

### Item 1A. *Risk Factors*

We remind the reader that risk factors are set forth in Item 1A of our report on Form 10-K, filed with the U.S. Securities and Exchange Commission on March 16, 2026. Where we are aware of material changes to such risk factors as previously disclosed, we set forth below an updated discussion of such risks. The reader should note that the other risks identified in our report on Form 10-K remain applicable.

#### *We have substantial indebtedness.*

We have and will continue to have a substantial amount of indebtedness. At March 31, 2026, we had approximately \$3,668.2 million debt outstanding. Such debt consisted primarily of \$2,992.2 million of securitization trust debt and \$467.1 million of debt from warehouse lines of credit. Our securitization trust debt has increased by \$5.6 million while our warehouse lines of credit debt has increased by \$142.3 million since December 31, 2025 (each net of deferred financing costs). Since 2005, we have offered renewable subordinated notes to the public on a continuous basis, and such notes have maturities that range from six months to 10 years. We had \$27.5 million and \$29.0 million in subordinated renewable notes outstanding at March 31, 2026, and December 31, 2025, respectively. In June 2021, March 2024, March 2025, and again on March 2026, we completed a securitization of residual interests from other previously issued securitizations in the amounts of \$50 million, \$50 million, \$65 million, and \$50 million, respectively. As of March 31, 2026, \$181.4 million of the residual interest debt remains outstanding.

Our substantial indebtedness could adversely affect our financial condition by, among other things:

- increasing our vulnerability to general adverse economic and industry conditions.
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the amounts available for working capital, capital expenditures and other general corporate purposes.
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate.
- placing us at a competitive disadvantage compared to our competitors that have less debt; and
- limiting our ability to borrow additional funds.

Although we believe we are able to service and repay such debt, there is no assurance that we will be able to do so. If we do not generate sufficient operating profits, our ability to make the required payments on our debt would be impaired. Failure to pay our indebtedness when due could have a material adverse effect.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended March 31, 2026, we repurchased 126,622 shares from existing shareholders, as reflected in the table below.

### Issuer Purchases of Equity Securities

<u>Period(1)</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (2)</u>
Jan 2026	44,599	\$ 8.95	44,599	\$ 6,714,613
February 2026	35,375	8.79	35,375	\$ 6,403,515
March 2026	46,648	8.03	46,648	\$ 6,028,988
Total	<u>126,622</u>	<u>\$ 8.57</u>	<u>126,622</u>	

(1) Each monthly period is the calendar month.

(2) Through March 31, 2026, our board of directors had authorized the purchase of up to \$128.2 million of our outstanding securities, which program was first announced in our annual report for the year 2002, filed on March 26, 2003. All purchases described in the table above were under the plan announced in March 2003, which has no fixed expiration date.

### Item 5. Other Information

During the quarter ended March 31, 2026, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

### Item 6. Exhibits

The Exhibits listed below are filed with this report.

4.14	Instruments defining the rights of holders of long-term debt of certain consolidated subsidiaries of the registrant are omitted pursuant to the exclusion set forth in subdivisions (b)(iv)(iii)(A) and (b)(v) of Item 601 of Regulation S-K (17 CFR 229.601). The registrant agrees to provide copies of such instruments to the United States Securities and Exchange Commission upon request.
10.1.0	<a href="#">Auto Receivables Trust 2026-A Purchase Agreement dated January 1, 2026, between registrant and CPS Receivables Five LLC**</a>
31.1	<a href="#">Rule 13a-14(a) Certification of the Chief Executive Officer of the registrant</a>
31.2	<a href="#">Rule 13a-14(a) Certification of the Chief Financial Officer of the registrant</a>
32	<a href="#">Section 1350 Certifications*</a>
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in inline XBRL, and included in exhibit 101).

\* These Certifications shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. These Certifications shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the registration statement specifically states that such Certifications are incorporated therein.

\*\* Certain portions of this exhibit have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**CONSUMER PORTFOLIO SERVICES, INC.**

(Registrant)

Date: May 8, 2026

By: /s/ CHARLES E. BRADLEY, JR.

Charles E. Bradley, Jr.

*Chief Executive Officer*

(Principal Executive Officer)

Date: May 8, 2026

By: /s/ DENESH BHARWANI

Denesh Bharwani

*Executive Vice President and Chief Financial Officer*

(Principal Financial Officer)

**CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT BOTH (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. SUCH EXCLUDED INFORMATION HAS BEEN MARKED WITH “[\*\*\*].”**

**RECEIVABLES PURCHASE AGREEMENT**

**among**

**CONSUMER PORTFOLIO SERVICES, INC.,**

**as Seller, and**

**CPS RECEIVABLES FIVE LLC, as**

**Purchaser**

**Dated as of January 1, 2026**

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### **Exhibits**

- Exhibit A - Form of Assignment
  - Exhibit B - Schedule of Receivables
  - Exhibit C - Reserved
-

RECEIVABLES PURCHASE AGREEMENT dated as of January 1, 2026 by and between CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the “Seller”), having its principal executive office at 3800 Howard Hughes Pkwy., Suite 1400, Las Vegas, NV 89169, and CPS RECEIVABLES FIVE LLC, a Delaware limited liability company (the “Purchaser”), having its principal executive office at 3800 Howard Hughes Pkwy., Suite 1400, Las Vegas, NV 89169.

WHEREAS, in the regular course of its business, the Seller purchases and services through its auto loan programs certain motor vehicle retail installment sale contracts and promissory notes and security agreements secured by new and used automobiles, light trucks, vans and minivans acquired by it from motor vehicle dealers and independent finance companies, or originates loans to purchasers of such vehicles evidenced by promissory notes and security agreements; and

WHEREAS, the Seller and the Purchaser wish to set forth the terms pursuant to which the Receivables (as hereinafter defined), are to be sold by the Seller to the Purchaser, which Receivables will be transferred by the Purchaser to CPS Auto Receivables Trust 2026-A (the “Trust”) pursuant to the Sale and Servicing Agreement (as hereinafter defined), which will transfer the Receivables to the Grantor Trust (as hereinafter defined) pursuant to the Grantor Trust Agreement (as hereinafter defined), which will issue a certificate of beneficial ownership in the Grantor Trust to the Trust (the “Grantor Trust Certificate”), which will be transferred pursuant to the Sale and Servicing Agreement (as hereinafter defined) to the Trust, which will issue notes under the Indenture (as hereinafter defined) representing indebtedness of the Trust (the “Notes”) and certificates under the Trust Agreement (as hereinafter defined) representing beneficial interests in the Trust (the “Certificates” and, together with the Notes, the “Securities”).

NOW, THEREFORE, in consideration of the foregoing, other good and valuable consideration, and the mutual terms and covenants contained herein, the parties hereto agree as follows:

#### ARTICLE 1 CERTAIN DEFINITIONS

Section 1.1 Definitions. Terms not defined in this Receivables Purchase Agreement shall have the meaning set forth in the Sale and Servicing Agreement and if not defined therein, shall have the meanings set forth in the Indenture. As used in this Receivables Purchase Agreement, the following terms shall, unless the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular and plural forms of the terms defined):

“Agreements” means, collectively, this Receivables Purchase Agreement and the Assignment.

“Assignment” means the Assignment dated the Closing Date, by the Seller to the Purchaser, relating to the purchase of the Receivables and certain other property related thereto by the Purchaser from the Seller pursuant to this Receivables Purchase Agreement, which shall be in substantially the form attached hereto as Exhibit A.

“Authoritative Copy” means, with respect to any Electronic Contract that constitutes Electronic Chattel Paper, a copy of such Electronic Contract that is unique, identifiable and, except as otherwise provided in Section 9-105 of the UCC, unalterable, any perceivable rendering of which is marked “View of Authoritative Copy” and has no watermark or other marking that would indicate that it is a “copy” or “duplicate” or not an original or not an “authoritative” copy.

“Closing Date” means January 27, 2026.

“CPS” means Consumer Portfolio Services, Inc., a California corporation and its successors and assigns.

“Cutoff Date” means the close of business on December 31, 2025.

“Electronic Chattel Paper” means, as applicable (a) “electronic chattel paper” as defined in Section 9-102(a)(31) of the UCC of a Pre-2022 UCC Jurisdiction, or (b) an electronic copy of a record evidencing chattel paper within the meaning of Section 9-314A of the UCC of a Revised UCC Jurisdiction.

“Electronic Chattel Paper Condition” (i) the delivery to the Indenture Trustee and the Placement Agents of a legal opinion from a nationally recognized law firm to the effect that the Grantor Trust’s security interest in any Receivables that constitute electronic chattel paper under the UCC has been perfected by control pursuant to Section 9-105 of the UCC and (ii) the delivery by the Issuer or the Indenture Trustee of an executed MECCA Joinder pursuant to the Master Electronic Collateral Control Agreement, substantially in the form of Exhibit J to the Sale and Servicing Agreement, by the Grantor Trust, as contract owner, the Issuer and the Indenture Trustee as secured party.

“Electronic Contract” means a Contract that was electronically executed and authenticated; provided, that an Electronic Contract that has been Exported shall not constitute an Electronic Contract.

“Electronic Vault Provider” means eOriginal, Inc.

“Final PPM” means the Confidential Private Placement Memorandum dated January 21, 2026, relating to the private placement of the Notes and any amendment or supplement thereto.

“Grantor Trust” means CPS Auto Receivables Grantor Trust 2026-A, governed by the Grantor Trust Agreement.

“Grantor Trust Agreement” means the Amended and Restated Trust Agreement dated as of January 27, 2026, by and between the Trust, as depositor, Computershare Trust Company, N.A., as grantor trust trustee, paying agent and certificate registrar, and Wilmington Trust, National Association, as Delaware trustee, as such agreement may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Indenture” means the Indenture dated as of January 1, 2026, between CPS Auto Receivables Trust 2026-A, as issuer, and Computershare Trust Company, National Association, as indenture trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Lien Certificate” means, with respect to a Financed Vehicle, an original certificate of title, certificate of lien or other notification (paper or electronic) issued by the Registrar of Titles of the applicable state (or by a third-party service provider authorized by the Registrar of Titles) to a secured party that indicates that the lien of the secured party on the Financed Vehicle is recorded with the State for purposes of establishing the existence and priority of a secured party’s Lien on the Financed Vehicle. In any jurisdiction in which the original certificate of title is required to be given to the registered owner of the Financed Vehicle, the term “Lien Certificate” shall mean only a certificate or notification, paper or electronic, issued to a secured party.

“Memorandum” means the Final PPM and the Preliminary PPM, collectively. “Obligor(s)” means the purchaser or co-purchasers of a Financed Vehicle or any other Person who owes or may be liable for payments under a Receivable.

“Officer’s Certificate” means a certificate signed by the chairman of the board, the president, any vice chairman of the board, any vice president, the treasurer, the controller or assistant treasurer or any assistant controller, secretary or assistant secretary of CPS, the Seller or the Servicer, as appropriate.

“Post-Petition Receivable” means a Receivable, the Obligor of which at the time of application is the debtor in a Federal, State or other bankruptcy, insolvency or similar proceeding, provided that a Receivable shall no longer be considered a Post-Petition Receivable upon the related Obligor receiving a discharge in the related proceeding.

“Preliminary PPM” means the Confidential Preliminary Private Placement Memorandum dated January 14, 2026, relating to the private placement of the Notes and any amendment or supplement thereto.

“Pre-2022 UCC Jurisdiction” means (i) a jurisdiction that has not enacted the 2022 Amendments, or (ii) a jurisdiction that has enacted the 2022 Amendments, but which amendments are not fully in effect.

“Purchaser” means CPS Receivables Five LLC, a Delaware limited liability company, and its successors and assigns.

“Receivable” means each retail installment sale contract or promissory note and security agreement for a Financed Vehicle transferred to the Purchaser pursuant to the Assignment, which shall be listed on the Schedule of Receivables, and all rights thereunder.

“Receivables Purchase Agreement” means this Receivables Purchase Agreement, as this agreement may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“Receivables Purchase Price” means \$352,663,725.49.

“Repurchase Event” shall mean any event that obligates the Seller to repurchase a Receivable pursuant to Section 6.2.

“Revised UCC Jurisdiction” means a jurisdiction that has enacted the 2022 Amendments, which amendments are fully in effect.

“Sale and Servicing Agreement” means the Sale and Servicing Agreement dated as of January 1, 2026, among the Trust as issuer, CPS Receivables Five LLC, as seller, Consumer Portfolio Services, Inc., individually and as servicer, the Grantor Trust and Computershare Trust Company, National Association, as indenture trustee, custodian and backup servicer, as such agreement may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Schedule of Receivables” means the schedule of Receivables attached hereto as Exhibit B (which Schedule of Receivables may be in electronic format), as amended or supplemented from time to time in accordance with the terms hereof.

“Seller” means CPS, in its capacity as seller of the Receivables and the other Transferred Property relating thereto, and its successors and assigns.

“Servicer” means CPS, in its capacity as Servicer of the Receivables, and its successors and assigns.

“Skip Receivable” means a Receivable (i) that is delinquent as of the Closing Date; and (ii) with respect to which CPS (a) has concluded that the address or telephone number of the related Obligor maintained by CPS as of the Closing Date is incorrect and CPS has not been able to obtain revised contact information for such Obligor and (b) has designated the status of the Receivable as “A07” or “F07” in accordance with its servicing procedures.

“Transferred Property” shall have the meaning specified in Section 2.1(a).

“Tangible Chattel Paper” means, as applicable, (a) “tangible chattel paper” under and as defined in Section 9-102(a)(79) of the UCC of a Pre-2022 UCC Jurisdiction or (b) a tangible copy of a record evidencing chattel paper within the meaning of 9-314A of the UCC of a Revised UCC Jurisdiction. For the avoidance of doubt, any Electronic Chattel Paper which was been Exported, the printed copy of the Contract shall constitute Tangible Chattel Paper.

“Trust” means CPS Auto Receivables Trust 2026-A, governed by the Trust Agreement. “Trust Agreement” means the Amended and Restated Trust Agreement dated as of January 27, 2026, by and between CPS Receivables Five LLC, as depositor, and Wilmington Trust, National Association, as owner trustee, as such agreement may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“UCC” means the Uniform Commercial Code, as in effect from time to time in the relevant jurisdictions.

Section 1.2 Other Definitional Provisions. Unless the context otherwise requires:

(a) All references herein to designated “Articles,” “Sections,” “Subsections” and other subdivisions are to the designated Articles, Sections, Subsections and other subdivisions of this instrument as originally executed.

(b) The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Receivables Purchase Agreement as a whole and not to any particular Article, Section, Subsection or other subdivision.

(c) an accounting term not otherwise defined herein has the meaning assigned to it in accordance with generally accepted accounting principles as in effect from time to time;

(d) “or” is not exclusive; and

(e) “including” means including without limitation.

Section 1.3 Action by or Consent of Noteholders or Securityholders. Whenever any provision of this Receivables Purchase Agreement refers to action to be taken, or consented to, by Noteholders or Securityholders, such provision shall be deemed to refer to Noteholders or, as the case may be, Securityholders of record as of the Record Date immediately preceding the date on which such action is to be taken, or consented to, by Noteholders, or as the case may be, Securityholders. Any Note owned by the Seller or any Affiliate thereof, during the time such Note is so owned by them, shall be without voting or consent rights with respect to such Note for any purpose set forth in this Agreement.

## ARTICLE 2 PURCHASE AND SALE OF RECEIVABLES

Section 2.1 Purchase and Sale of Receivables. On the Closing Date, subject to the terms and conditions of this Receivables Purchase Agreement, the Seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Seller, without recourse (subject to the obligations in this Receivables Purchase Agreement and the Sale and Servicing Agreement), all of the Seller’s right, title and interest in, to and under the Receivables and the other Transferred Property relating thereto. The conveyance to the Purchaser of the Receivables and other Transferred Property relating thereto is intended as a sale free and clear of all Liens and it is intended that the Initial Transferred Property and other property of the Purchaser shall be an absolute conveyance and shall not be part of the Seller’s estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law.

(a) Transfer of Receivables. On the Closing Date and simultaneously with the transactions to be consummated pursuant to the Trust Agreement, the Indenture and the Sale and Servicing Agreement, the Seller shall sell, transfer, assign, grant, set over and otherwise convey to the Purchaser, without recourse (subject to the obligations herein and in the Sale and Servicing Agreement), all right, title and interest of the Seller in, to and under:

- (i) the Receivables listed in the Schedule of Receivables and all monies received thereunder after the Cutoff Date and all Net Liquidation Proceeds and Recoveries received with respect to such Receivables after the Cutoff Date;
- (ii) the security interests in the Financed Vehicles granted by the related Obligor pursuant to the Receivables and any other interest of the Seller in such Financed Vehicles, including, without limitation, the Lien Certificates with respect to Financed Vehicles;
- (iii) any proceeds from claims on any physical damage, credit life and credit accident and health insurance policies or certificates relating to the Financed Vehicles securing the Receivables or the Obligors thereunder;
- (iv) all proceeds from recourse against Dealers with respect to the Receivables;
- (v) refunds for the costs of extended service contracts with respect to Financed Vehicles securing the Receivables, refunds of unearned premiums with respect to credit life and credit accident and health insurance policies or certificates covering an Obligor or Financed Vehicle or an Obligor's obligations with respect to a Receivable or a Financed Vehicle and any recourse to Dealers for any of the foregoing;
- (vi) the Receivable File related to each Receivable;
- (vii) all property (including the right to receive future Net Liquidation Proceeds) that secures a Receivable that has been acquired by or on behalf of the Seller, pursuant to a liquidation of such Receivable; and
- (viii) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of the conversion, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, insurance proceeds, condemnation awards, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing (collectively, the "Initial Transferred Property").
- (b) Receivables Purchase Price. In consideration for the Receivables and other Transferred Property described in Section 2.1(a), the Purchaser shall, on the Closing Date, pay to the Seller the Receivables Purchase Price. An amount equal to [\*\*\*] of the Receivables Purchase Price shall be paid to the Seller in cash. The remaining [\*\*\*] of the Receivables Purchase Price shall be deemed paid and returned to the Purchaser and be considered a contribution to the Purchaser's capital. The portion of the Receivables Purchase Price to be paid in cash shall be by federal wire transfer (same day) funds.

Section 2.2 Reserved.

Section 2.3 The Closing. The sale and purchase of the Initial Receivables shall take place at a closing (the "Closing") at the offices of Alston & Bird LLP, 2200 Ross Avenue, 23rd Floor, Dallas, Texas 75201 on the Closing Date, simultaneously with the closings under: (a) the Grantor Trust Agreement pursuant to which the Purchaser will convey all of its right, title and interest in, to and under the Initial Receivables and the Initial Transferred Property to the Grantor Trust in exchange for the Grantor Trust Certificate representing the beneficial interest in the Grantor Trust Estate, (b) the Sale and Servicing Agreement pursuant to which the Purchaser will convey all of its right, title and interest in, to and under in the Grantor Trust Certificate and its rights under the Grantor Trust Agreement to the Trust for the benefit of the Securityholders, (C) the Trust Agreement pursuant to which the Trust shall be formed and the Certificates will be issued, and (d) the Indenture pursuant to which the Trust will issue the Notes.

ARTICLE 3  
REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to the Seller as of the date hereof and as of the Closing Date (which representations and warranties shall survive the Closing Date):

(a) Organization and Good Standing. The Purchaser has been duly formed and is validly existing as a limited liability company solely under the laws of the State of Delaware, in good standing thereunder, with power and authority to own its properties and to conduct its business as such properties shall be currently owned and such business is presently conducted, and had at all relevant times, and shall have, power, authority and legal right to acquire and own the Receivables.

(b) Due Qualification. The Purchaser is duly qualified to do business as a foreign limited liability company in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business or the consummation of any of the transactions contemplated by the Basic Documents shall require such qualifications.

(c) Power and Authority. The Purchaser has the power and authority to execute and deliver the Agreements and to carry out their respective terms and the execution, delivery and performance of the Agreements have been duly authorized by the Purchaser by all necessary entity action.

(d) Binding Obligation. The Agreements shall constitute a legal, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms.

(e) No Violation. The execution, delivery and performance by the Purchaser of the Agreements and the consummation of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof do not conflict with, result in a breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time or both) a default under, the certificate of formation or limited liability company agreement of the Purchaser, or any indenture, agreement, mortgage, deed of trust, or other instrument to which the Purchaser is a party or by which it is bound or to which any of its properties are subject; nor result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any indenture, agreement, mortgage, deed of trust, or other instrument (other than the Basic Documents); nor violate any law, order, rule or regulation applicable to the Purchaser of any court or of any Federal or State regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Purchaser or its properties.

(f) No Proceedings. There are no proceedings or investigations pending, or to the Purchaser's best knowledge, threatened, before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Purchaser or its properties: (A) asserting the invalidity of the Agreements, any other Basic Document or the Securities; (B) seeking to prevent the issuance of the Securities or the consummation of any of the transactions contemplated by the Agreements or the other Basic Documents; (C) seeking any determination or ruling that might materially and adversely affect the performance by the Purchaser of its obligations under, or the validity or enforceability of, the Agreements, the other Basic Documents or the Securities; or (D) relating to the Purchaser and which might adversely affect the Federal or State income, excise, franchise or similar tax attributes of the Securities.

(g) No Consents. No consent, approval, authorization or order of or declaration or filing with any governmental authority is required to be obtained by the Purchaser for the issuance or sale of the Securities or the consummation of the other transactions contemplated by the Agreements, the Trust Agreement, the Indenture or the Sale and Servicing Agreement or any other Basic Document, except such as have been duly made or obtained.

(h) Valid Assignment. Each Receivable has been validly assigned by the Purchaser to the Issuer on the Closing Date pursuant to the Sale and Servicing Agreement; and no Receivable has or will have been sold, transferred, assigned or pledged by the Purchaser to any Person other than the Issuer.

### Section 3.2 Representations and Warranties of the Seller.

(a) The Seller hereby represents and warrants to the Purchaser as of the date hereof and as of the Closing Date (which representations and warranties shall survive the Closing Date):

(i) Organization and Good Standing. The Seller has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of California, with power and authority to own its properties and to conduct its business as such properties shall be currently owned and such business is presently conducted and had at all relevant times, and shall have, power, authority and legal right to acquire, own and service the Receivables.

(ii) Due Qualification. The Seller is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business or the consummation of any of the transactions contemplated by the Basic Documents (including the origination and the servicing of the Receivables as required by the Sale and Servicing Agreement) shall require such qualifications, except where such failure would not have a material adverse effect on the Seller, or impair in any material respect any Receivable.

(iii) Power and Authority. The Seller has the power and authority to execute and deliver the Agreements and to carry out their terms; the Seller has full power and authority to sell and assign the property sold and assigned to the Purchaser and has duly authorized such sale and assignment to the Purchaser by all necessary corporate action; and the execution, delivery and performance of the Agreements have been duly authorized by the Seller by all necessary corporate action.

(iv) Valid Sale; Binding Obligation. This Receivables Purchase Agreement effects a valid sale, transfer and assignment of the Receivables and the other Transferred Property conveyed to the Purchaser pursuant to Section 2.1, enforceable against creditors of and purchasers from the Seller; and this Agreement shall constitute a legal, valid and binding obligation of the Seller enforceable in accordance with its terms.

(v) No Violation. The execution, delivery and performance by the Seller of the Agreements and the consummation of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time or both) a default under, the articles of incorporation, as amended, or by-laws of the Seller, or any indenture, agreement, mortgage, deed of trust, or other instrument to which the Seller is a party or by which it is bound or to which any of its properties are subject; nor result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust, or other instrument (other than the Basic Documents); nor violate any law, order, rule or regulation applicable to the Seller of any court or of any Federal or State regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or its properties.

(vi) No Proceedings. There are no proceedings or investigations pending, or to the Seller's best knowledge, threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Seller or its properties: (A) asserting the invalidity of the Agreements, the other Basic Documents or the Securities; (B) seeking to prevent the issuance of the Securities or the consummation of any of the transactions contemplated by the Agreements or the other Basic Documents; (C) seeking any determination or ruling that might materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, the Agreements, the other Basic Documents or the Securities; or (D) relating to the Seller and which might adversely affect the Federal or State income, excise, franchise or similar tax attributes of the Securities.

(vii) No Consents. No consent, approval, authorization or order of or declaration or filing with any governmental authority is required for the issuance or sale of the Securities or the consummation of the other transactions contemplated by this Receivables Purchase Agreement, the Trust Agreement, the Grantor Trust Agreement, the Indenture, the Sale and Servicing Agreement or any other Basic Document, except such as have been duly made or obtained.

(viii) Financial Condition. The Seller is able to and does pay its liabilities as they mature. The Seller is not in default under any obligation to pay money to any Person except for matters being disputed in good faith which do not involve an obligation of the Seller on a promissory note. The Seller will not use the proceeds from the transactions contemplated by the Agreements to give any preference to any creditor or class of creditors, and this transaction will not leave the Seller with remaining assets that are unreasonably small compared to its ongoing operations.

(ix) Fraudulent Conveyance. The Seller is not selling the Receivables to the Purchaser with any intent to hinder, delay or defraud any of its creditors; the Seller will not be rendered insolvent as a result of the sale of the Receivables to the Purchaser.

(x) Certificate, Statements and Reports. The officer's certificates, statements, reports and other documents prepared by the Seller and furnished by the Seller to the Purchaser, the Indenture Trustee or the Placement Agents pursuant to this Receivables Purchase Agreement or any other Basic Document to which it is a party, and in connection with the transactions contemplated hereby and thereby, when taken as a whole, do not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading.

(xi) Seller's Intention. The Receivables and the other Transferred Property are being transferred with the intention of removing them from Seller's estate pursuant to Section 541 of the United States Bankruptcy Code, as the same may be amended from time to time.

(b) The Seller makes the following representations and warranties as to the Receivables and the other Transferred Property relating thereto on which the Purchaser relies in accepting the Receivables and the other Transferred Property relating thereto. Such representations and warranties speak as of the Closing Date, but shall survive the sale, transfer, and assignment of the Receivables and the other Transferred Property relating thereto to the Purchaser and the subsequent assignments and transfers pursuant to the Sale and Servicing Agreement and Grantor Trust Agreement, and the pledge of the Grantor Trust Certificate to the Indenture Trustee:

(i) Characteristics of Receivables.

(A) Each Receivable (1) has been originated in the United States of America by CPS or a Dealer for the retail sale of a Financed Vehicle in the ordinary course of CPS's or such Dealer's business (and CPS or such Dealer had all necessary licenses and permits to originate such Receivable in the state where such Dealer was located or where the Receivable was originated), has been fully and properly executed by the parties thereto, has been purchased or originated by the Seller in connection with the related Obligor's purchase of the related Financed Vehicle and has been validly assigned by such Dealer to the Seller, if not originated by CPS, and has been validly assigned from the Seller to the Purchaser in accordance with its terms, (2) has created a valid, subsisting, and enforceable first priority perfected security interest in favor of the Seller in the Financed Vehicle, which security interest has been assigned by the Seller to the Purchaser pursuant to this Receivables Purchase Agreement, which in turn has assigned such security interest to the Grantor Trust, (3) contains customary and enforceable provisions such that the rights and remedies of the holder or assignee thereof shall be adequate for realization against the collateral of the benefits of the security including, without limitation, a right of repossession following a default, (4) provides for level monthly scheduled payments in U.S. dollars that fully amortize the Amount Financed over the original term (except for the last scheduled payment, which may be different from the level monthly payment) and yield interest at the Annual Percentage Rate, (5) has an Annual Percentage Rate of not less than [\*\*\*] and not greater than [\*\*\*], (6) is a Simple Interest Receivable, (7) if originated by a Dealer, was sold by such Dealer without any fraud or misrepresentation on the part of such Dealer, (8) is denominated in U.S. dollars and (9) provides, in the case of a prepayment, for the full payment of the Principal Balance thereof plus accrued interest through the date of prepayment based on the Annual Percentage Rate of the Receivable.

(B) Approximately [\*\*\*] of the aggregate Principal Balance of the Receivables as of the Cutoff Date represents financing of used automobiles, light trucks, vans or minivans; the remainder of the Receivables represent financing of new vehicles; approximately [\*\*\*] of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Preferred Program; approximately [\*\*\*] of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Alpha Program; approximately [\*\*\*] of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Delta Program; approximately [\*\*\*] of the Receivables as of the Cutoff Date were originated under the CPS First-Time Buyer Program; approximately [\*\*\*] of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Standard Program; approximately [\*\*\*] of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Super Alpha Program; approximately [\*\*\*] of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS Alpha Plus Program; all of the Receivables were acquired by the Seller; approximately [\*\*\*] of the aggregate Principal Balance of the Receivables as of the Cutoff Date were Post-Petition Receivables; each Receivable has a final scheduled payment due no later than [\*\*\*] and each Receivable was originated on or before the Cutoff Date.

(ii) Additional Receivables Characteristics. (A) As of the Cutoff Date, no Receivable is more than [\*\*\*] [\*\*\*] contractually past due with respect to any Scheduled Receivable Payment, and no extensions were granted by the Servicer to satisfy such representation; and (B) as of the Closing Date, (I) no Receivable is a Skip Receivable and (II) no Receivable is more than [\*\*\*] [\*\*\*] contractually past due with respect to any Scheduled Receivable Payment.

(iii) Schedule of Receivables; Selection Procedures. The information with respect to the Receivables set forth in Exhibit B to this Agreement is true and correct in all material respects as of the close of business on the Cutoff Date; and no selection procedures adverse to the Securityholders have been utilized in selecting the Receivables.

(iv) Compliance with Law. Each Receivable, the sale of the Financed Vehicle and the sale of any physical damage, credit life, credit accident and health insurance and extended warranties or service contracts (A) complied at the time the related Receivable was originated or made and at the Closing Date complies in all material respects with all requirements of applicable Federal, State, and local laws, and regulations thereunder including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the Servicemembers Civil Relief Act, the Military Reservist Relief Act, the Texas Consumer Credit Code, the California Automobile Sales Finance Act and State adaptations of the National Consumer Act and of the Uniform Consumer Credit Code, and all other applicable consumer credit laws and equal credit opportunity and disclosure laws, and (B) without limiting the generality of the foregoing, is not subject to liabilities or is not rendered unenforceable based on general theories of contract limitation or relief including, without limitation, theories based on unconscionable, deceptive, unfair, or predatory sales or financing practices.

(v) No Government Obligor. None of the Receivables are due from the United States of America or any State or from any agency, department, or instrumentality of the United States of America or any State.

(vi) Security Interest in Financed Vehicle. Immediately subsequent to the sale, assignment and transfer thereof to the Purchaser, each Receivable shall be secured by a validly perfected first priority security interest in the Financed Vehicle in favor of the Seller as secured party, which security interest has been validly assigned by the Seller to the Purchaser and by the Purchaser to the Grantor Trust, and such assigned security interest is prior to all other liens upon and security interests in such Financed Vehicle that now exist or may hereafter arise or be created (except, as to priority, for any tax liens or mechanics' liens that may arise after the Cutoff Date).

(vii) Receivables in Force. No Receivable has been satisfied, subordinated or rescinded, nor has any Financed Vehicle been released from the lien granted by the related Receivable in whole or in part.

(viii) No Waiver. Except as permitted under Section 4.2 of the Sale and Servicing Agreement and clause (ix) below, no provision of a Receivable has been waived.

(ix) No Amendments. The terms of the related Contract have not been waived, altered, amended or modified (including, without limitation, extensions) in any respect, except by instruments or documents identified in the Receivable File with respect thereto, and no such waiver, alteration, amendment or modification has caused such Receivable to fail to meet all of the representations, warranties, and conditions set forth herein with respect thereto. Such Contract constitutes the entire agreement between the Seller and the related Obligor.

(x) No Defenses. No right of rescission, setoff, counterclaim or defense exists or has been asserted or threatened with respect to any Receivable. The operation of the terms of any Receivable or the exercise of any right thereunder will not render such Receivable unenforceable in whole or in part and such Receivable is not subject to any such right of rescission, setoff, counterclaim, or defense.

(xi) No Liens. As of the Cutoff Date, (a) there are no liens or claims existing or that have been filed for work, labor, storage or materials relating to a Financed Vehicle that are prior to, or equal or coordinate with, the security interest in the Financed Vehicle granted by the Receivable and (b) there is no lien against the related Financed Vehicle for delinquent taxes.

(xii) No Default; Repossession. Except for payment delinquencies continuing for a period of not more than thirty days as of the Cutoff Date, no default, breach, violation or event permitting acceleration under the terms of any Receivable has occurred; and no continuing condition that with notice or the lapse of time, or both, would constitute a default, breach, violation or event permitting acceleration under the terms of any Receivable has arisen; and the Seller shall not waive and has not waived any of the foregoing (except in a manner consistent with Section 4.2 of the Sale and Servicing Agreement and clause (ix) above); and no Financed Vehicle shall have been repossessed or assigned for repossession as of the Cutoff Date.

(xiii) Insurance; Other. (A) Each Obligor has obtained insurance covering the Financed Vehicle as of the execution of the Receivable insuring against loss and damage due to fire, theft, transportation, collision and other risks generally covered by comprehensive and collision coverage, and each Receivable requires the Obligor to obtain and maintain such insurance naming the Seller and its successors and assigns as loss payee or an additional insured, (B) each Receivable that finances the cost of premiums for credit life and credit accident and health insurance is covered by an insurance policy or certificate of insurance naming the Seller as policyholder (creditor) under each such insurance policy and certificate of insurance and (C) as to each Receivable that finances the cost of an extended service contract, the respective Financed Vehicle which secures the Receivable is covered by an extended service contract.

(xiv) Title. It is the intention of the Seller that the transfer and assignment herein contemplated constitute a sale of the Receivables and the Transferred Property from the Seller to the Purchaser and that the beneficial interest in and title to such Receivables and the Transferred Property not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law. No Receivable or other Transferred Property has been sold, transferred, assigned, or pledged by the Seller to any Person other than the Purchaser. Immediately prior to the transfer and assignment herein contemplated, the Seller had good and marketable title to each Receivable and the Transferred Property and was the sole owner thereof, free and clear of all liens, claims, encumbrances, security interests, and rights of others, and, immediately upon the transfer thereof, the Purchaser for the benefit of the Securityholders shall have good and marketable title to each such Receivable and will be the sole owner thereof, free and clear of all liens, encumbrances, security interests, and rights of others, and the transfer has been perfected under the UCC.

(xv) Lawful Assignment. No Receivable has been originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer, and assignment of such Receivable under any of the Agreements would be unlawful, void, or voidable. The Seller has not entered into any agreement with any account debtor that prohibits, restricts or conditions the assignment of any portion of the Receivables.

(xvi) All Filings Made. As of the Closing Date or within ten (10) days thereafter, all filings (including, without limitation, UCC filings) necessary in any jurisdiction to give (a) the Purchaser a first priority perfected security interest in the Receivables and the other Transferred Property, (b) the Trust a first priority perfected security interest in the Trust Property and (c) the Indenture Trustee a first priority perfected security interest in the Collateral have been made, taken or performed.

(xvii) Receivable File; One Original. The Seller has delivered to Purchaser a complete Receivable File with respect to each Receivable. There is only one original executed copy of each Receivable, or, in the case of Receivables constituting Electronic Chattel Paper a single Authoritative Copy of each electronic record constituting or forming a part of such Receivable.

(xviii) Chattel Paper. Each Contract constitutes Tangible Chattel Paper or, subject to the satisfaction of the Electronic Chattel Paper Condition, Electronic Chattel Paper.

(xix) Title Documents. The Lien Certificate with respect to each Financed Vehicle shows, or if a new or replacement Lien Certificate is being applied for with respect to such Financed Vehicle, the Lien Certificate will be received within [\*\*\*] [\*\*\*] and will show, the Seller named as the original secured party under the related Receivable as the holder of a first priority security interest in such Financed Vehicle; provided that Lien Certificates related to up to [\*\*\*] of the Receivables (by Principal Balance) may be received within [\*\*\*] [\*\*\*]. The Trust has the same rights as such secured party has or would have (if such secured party were still the owner of the Receivable) against all parties claiming an interest in such Financed Vehicle, and such rights have been validly pledged to the Indenture Trustee pursuant to the Indenture. With respect to each Receivable for which the Lien Certificate has not yet been returned from the Registrar of Titles, the Seller has, or has received written evidence from the related Dealer that the related Dealer has, applied for such Lien Certificate showing the Seller as first lienholder.

(xx) Valid and Binding Obligation of Obligor. Each Receivable is the legal, valid and binding obligation in writing of the Obligor thereunder and is enforceable in accordance with its terms, except only as such enforcement may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by general equitable principles, and all parties to such contract had full legal capacity to execute and deliver such contract and all other documents related thereto and to grant the security interest purported to be granted thereby.

(xxi) Characteristics of Obligors. As of the date of each Obligor's application for financing of the vehicle purchase from which the related Receivable arises, such Obligor was domiciled in the United States. As of the Closing Date, no Obligor is or will be, to the knowledge of CPS, the subject of any Federal, State or other bankruptcy, insolvency or similar proceeding other than an Obligor related to a Post-Petition Receivable.

(xxii) Origination Date. Each Receivable has an origination date on or after April 7, 2023.

(xxiii) Maturity of Receivables. Each Receivable has an original term to maturity of not more than [\*\*\*] [\*\*\*]; the weighted average original term to maturity of the Initial Receivables was [\*\*\*] [\*\*\*] as of the Cutoff Date; the remaining term to maturity of each Receivable was [\*\*\*] [\*\*\*] or less as of the applicable Cutoff Date; the weighted average remaining term to maturity of the Initial Receivables was [\*\*\*] [\*\*\*] as of the Cutoff Date.

(xxiv) Scheduled Receivable Payments. Each Receivable has an original Principal Balance of not more than [\*\*\*].

(xxv) Origination of Receivables. Based on the billing address of the Obligors and the Principal Balances as of the Cutoff Date, approximately [\*\*\*], [\*\*\*], [\*\*\*], [\*\*\*], [\*\*\*] and [\*\*\*] of the Receivables (by Principal Balance) had Obligors residing in the States of [\*\*\*], [\*\*\*], [\*\*\*], [\*\*\*], [\*\*\*] and [\*\*\*] respectively. As of the Cutoff Date, no other state represented more than [\*\*\*] of the Receivables (by Principal Balance).

(xxvi) Post-Office Box. On or prior to the next billing period after the applicable Cutoff Date, the Seller will notify each Obligor to make payments with respect to its respective Receivable after the applicable Cutoff Date directly to the Post Office Box or to a Servicer-controlled account as provided for in the Sale and Servicing Agreement, and will provide each Obligor with a monthly statement in order to enable such Obligor to make payments in such manner.

(xxvii) Location of Receivable Files. A complete Receivable File with respect to each Receivable has been or prior to the Closing Date, will be delivered to the Custodian at the location listed in Schedule B to the Sale and Servicing Agreement.

(xxviii) Casualty and Impounding. No Financed Vehicle has suffered a Casualty and CPS has not received notice that any Financed Vehicle has been impounded.

(xxix) Principal Balance/Number of Contracts. As of the Cutoff Date, the aggregate Principal Balance of the Receivables was [\*\*\*]. As of the Cutoff Date, the Receivables are evidenced by [\*\*\*] Contracts.

(xxx) Full Amount Advanced. The full amount of each Receivable has been advanced to each Obligor, and there are no requirements for future advances thereunder. The Obligor with respect to each Receivable does not have any option under the terms of the related Contract to borrow from any person additional funds secured by the Financed Vehicle.

(xxxi) No Impairment. Neither the Seller nor the Purchaser has done anything to convey any right to any Person that would result in such Person having a right to payments due under any Receivables or otherwise to impair the rights of the Purchaser, the Issuer or the Securityholders in any Receivable or the proceeds hereof.

(xxxii) Receivables Not Assumable. No Receivable is assumable by another Person in a manner that would release the Obligor thereof from such Obligor's obligations to the Seller or the Purchaser with respect to such Receivable.

(xxxiii) Servicing. The servicing of each Receivable and the collection practices relating thereto have been lawful and in accordance with the standards set forth in the Sale and Servicing Agreement; other than the Servicer and the Backup Servicer under the Sale and Servicing Agreement, no other Person has the right to service the Receivables.

(xxxiv) Illinois Receivables. (a) The Seller does not own a substantial interest in the business of a Dealer within the meaning of Illinois Sales Finance Agency Act Rules and Regulations, Section 160.230(1) and (b) with respect to each Receivable originated in the State of Illinois, (i) the printed or typed portion of the related form of Receivable complies with the requirements of 815 ILCS 375/3(b) and (ii) the Seller has not, and for so long as such Receivable is outstanding shall not, place or cause to be placed on the related Financed Vehicle any collateral protection insurance in violation of 815 ILCS 180/10.

(xxxv) California Receivables. Each Receivable originated in the State of California has been, and at all times during the term of the Sale and Servicing Agreement will be, serviced by the Servicer in compliance with Cal. Civil Code § 2981, et seq.

(xxxvi) Creation of Security Interest. The Agreements create a valid and continuing security interest (as defined in the UCC) in the Transferred Property in favor of the Purchaser, which security interest is prior to all other Liens and is enforceable as such as against creditors of and purchasers from the Seller.

(xxxvii) Perfection of Security Interest in Financed Vehicles. The Seller has taken all steps necessary to perfect its security interest against the Obligors in the Financed Vehicles securing the Contracts.

(xxxviii) Perfection of Security Interest in Trust Property. The Seller has caused, or will cause within ten (10) days after the Closing Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Trust Property granted to the Purchaser for the benefit of the Securityholders hereunder pursuant to Sections 2.1 and 6.4.

(xxxix) No Other Security Interests. Other than the security interest granted to the Purchaser pursuant to Sections 2.1 and 6.4, the Seller has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Trust Property. The Seller has not authorized the filing of and is not aware of any financing statements filed against the Seller that include a description of collateral covering the Trust Property other than any financing statement relating to the security interest granted to the Purchaser hereunder or that has been terminated. The Seller is not aware of any judgment or tax lien filings against the Seller.

(xl) Notations on Contracts; Financing Statement Disclosure. The Custodian has in its possession copies of all Contracts that constitute or evidence the Receivables. The Contracts that constitute or evidence the Receivables do not have any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Purchaser and/or Grantor Trust. All financing statements filed or to be filed against the Seller in favor of the Purchaser in connection herewith describing the Transferred Property contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the secured party."

(xli) Electronic Chattel Paper. Subject to the satisfaction of the Electronic Chattel Paper Condition, to the extent an Electronic Contract constitutes Electronic Chattel Paper, there is only one single Authoritative Copy of each electronic “record” constituting or forming a part of such Electronic Contract that is Electronic Chattel Paper, the record or records composing the Electronic Chattel Paper are created, stored and assigned in such a manner that (A) a single Authoritative Copy of the record or records exists which is unique, identifiable and unalterable (other than a revision that is readily identifiable as an authorized or unauthorized revision), (B) each copy of the Authoritative Copy and any copy of a copy is readily identifiable as a copy that is not the Authoritative Copy, (C) the Authoritative Copy has been communicated to and is maintained by the Custodian with an Electronic Vault Provider, (D) the Authoritative Copy does not have any stamps, marks or notations indicating that such Electronic Contract has been pledged, assigned or otherwise conveyed to any Person other than the Seller, the Custodian or the Indenture Trustee other than any such stamps, marks or notations that relate to a pledge, assignment, conveyance or other interest that has been that has been cancelled, terminated or voided, and (E) none of the Seller, the Servicer, the Electronic Vault Provider or any other Person has communicated an Authoritative Copy of any such Electronic Contract to any Person other than the Custodian or the Indenture Trustee.

(xlii) Licenses and Approvals. CPS has obtained all necessary licenses and approvals in all jurisdictions in which the origination and purchase of installment promissory notes and security agreements and the sale thereof requires or shall require such licenses or approvals, except where the failure to obtain such licenses or approvals would not result in a material adverse effect on the value or marketability of any Receivable (including, without limitation, the enforceability or collectability of any Receivable).

The representations and warranties set forth above in paragraphs (xiv), (xvi) and (xviii) and in paragraphs (xxxvi) through (xlii) shall survive the termination of this Receivables Purchase Agreement and may not be waived in whole or in part.

(c) The representations and warranties contained in this Receivables Purchase Agreement shall not be construed as a warranty or guaranty by the Seller as to the future payments by any Obligor. The sale of the Receivables pursuant to this Receivables Purchase Agreement shall be “without recourse” except for the representations, warranties and covenants made by the Seller in this Receivables Purchase Agreement or the Sale and Servicing Agreement.

ARTICLE 4  
CONDITIONS

Section 4.1 Conditions to Obligation of the Purchaser. On the Closing Date, the obligation of the Purchaser to purchase the related Receivables is subject to the satisfaction of the following conditions:

(a) Representations and Warranties True. The representations and warranties of the Seller hereunder shall be true and correct on the Closing Date, with the same effect as if then made, and the Seller shall have performed all obligations to be performed by it hereunder on or prior to the Closing Date.

(b) Computer Files Marked. The Seller shall, at its own expense, on or prior to the Closing Date, indicate in its computer files that the related Receivables have been sold to the Purchaser pursuant to this Receivables Purchase Agreement and shall deliver to the Purchaser the Schedule of Receivables certified by the Chairman, the President, the Vice President or the Treasurer of the Seller to be true, correct and complete as of, and after giving effect to all transfers of Receivables on, the Closing Date.

(c) Receivable Files Delivered. The Seller shall, at its own expense, deliver the related Receivable Files to the Custodian at the offices specified in Schedule B to the Sale and Servicing Agreement on or prior to the Closing Date.

(d) Documents to be Delivered at Closing. Documents to be delivered by the Seller at the Closing, except as set forth below:

(i) The Assignment. On the Closing Date, the Seller will execute and deliver the Assignment.

(ii) Evidence of UCC-1 Filing. Within two (2) Business Days of the Closing Date, the Seller shall record and file, at its own expense, a UCC-1 financing statement in each jurisdiction in which required by applicable law, naming the Seller, as seller or debtor, and the Purchaser, as purchaser or secured party, and naming the Receivables and the other Transferred Property conveyed hereafter as collateral, meeting the requirements of the laws of each such jurisdiction and in such manner as is necessary to perfect the sale, transfer, assignment and conveyance of such Receivables and other Transferred Property to the Purchaser. The Seller shall deliver a file-stamped copy, or other evidence satisfactory to the Purchaser of such filing, to the Purchaser within 10 days of the Closing Date.

(iii) Evidence of UCC-2 Filing. After the Closing Date, the Seller shall cause to be recorded and filed, at its own expense, appropriate UCC-2 termination statements (or UCC-3 termination statements, as applicable in the relevant UCC jurisdiction) in each jurisdiction in which required by applicable law, meeting the requirements of the laws of each such jurisdiction and in such manner as is necessary to release the interest of any other Person in the related Receivables, including without limitation, the security interests in the Financed Vehicles securing the Receivables and any proceeds of such security interests or the Receivables. The Seller shall deliver a file-stamped copy, or other evidence satisfactory to the Purchaser of such filing, to the Purchaser at the Purchaser's request.

(iv) Legal Opinions. The Seller shall have delivered to the Purchaser and the Placement Agent the legal opinions of Alston & Bird LLP and a legal opinion of the Seller's General Counsel with respect to bankruptcy (including true sale and nonconsolidation), corporate, tax and such other matters as the Placement Agent shall request, in each case, dated the Closing Date and satisfactory in form and substance to the Placement Agent.

(v) Other Documents. On or prior to the Closing Date, the Seller shall deliver such other documents as the Purchaser may reasonably request.

(e) Other Transactions. The transactions contemplated by the Trust Agreement, the Indenture, the Grantor Trust Agreement, the Sale and Servicing Agreement and the Placement Agency Agreement shall be consummated on the Closing Date.

Section 4.2 Conditions to Obligation of the Seller. The obligation of the Seller to sell the Receivables to the Purchaser is subject to the satisfaction of the following conditions.

(a) Representations and Warranties True. The representations and warranties of the Purchaser hereunder shall be true and correct on the Closing Date, with the same effect as if then made, and the Seller shall have performed all obligations to be performed by it hereunder on or prior to the Closing Date.

(b) Receivables Purchase Price. On the Closing Date, the Purchaser will deliver to the Seller the Receivables Purchase Price as provided in Section 2.1(b). The Seller hereby directs the Purchaser to wire such purchase price pursuant to wire instructions to be delivered to the Purchaser on or prior to the Closing Date.

## ARTICLE 5 COVENANTS OF THE SELLER

The Seller agrees with the Purchaser as follows; *provided, however*, that to the extent that any provision of this Article V conflicts with any provision of the Sale and Servicing Agreement, the Sale and Servicing Agreement shall govern:

### Section 5.1 Protection of Right, Title and Interest.

(a) Filings. The Seller shall cause all financing statements and continuation statements and any other necessary documents covering the right, title and interest of the Purchaser in, to and under the Receivables and the other Transferred Property to be promptly filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Purchaser hereunder, of the Trust under the Sale and Servicing Agreement and of the Indenture Trustee under the Indenture to the Receivables and the other Transferred Property. The Seller shall deliver to the Purchaser file stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recordation, registration or filing. The Purchaser shall cooperate fully with the Seller in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 5.1(a). In the event the Seller fails to perform its obligations under this subsection, the Purchaser or the Indenture Trustee may do so at the expense of the Seller. In furtherance of the foregoing, the Seller hereby authorizes the Purchaser and the Indenture Trustee to file a record or records (as defined in the applicable UCC), including, without limitation, financing statements, in all jurisdictions and with all filing offices as each may determine, in its sole and reasonable discretion, are necessary or advisable to perfect the security interest granted by the Seller pursuant to Sections 2.1 and 6.4.

(b) Name and Other Changes. At least 60 days prior to the date the Seller makes any change in its name, identity, corporate structure or jurisdiction of organization which would make any financing statement or continuation statement filed in accordance with paragraph (a) above seriously misleading within the applicable provisions of the UCC or any title statute, the Seller shall give the Indenture Trustee and the Purchaser written notice of any such change and no later than the effective date thereof, shall file appropriate amendments to all previously filed financing statements or continuation statements. At least 60 days prior to the date of any relocation of its principal executive office, the Seller shall give the Indenture Trustee and the Purchaser written notice thereof if, as a result of such relocation, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement and the Seller shall no later than the effective date thereof, file any such amendment or new financing statement. The Seller shall at all times maintain each office from which it shall service Receivables, and its jurisdiction of organization, within the United States of America.

(c) Accounts and Records. The Seller shall maintain accounts and records as to each Receivable accurately and in sufficient detail to permit the reader thereof to know at any time the status of such Receivable, including payments and recoveries made and payments owing (and the nature of each).

(d) Maintenance of Computer Systems. The Seller shall maintain its computer systems so that, from and after the time of sale hereunder of the Receivables to the Purchaser, the Seller's master computer records (including any back-up archives) that refer to a Receivable shall indicate clearly the interest of the Purchaser in such Receivable and that such Receivable is owned by the Purchaser. Indication of the Purchaser's ownership of a Receivable shall be deleted from or modified on the Seller's computer systems when, and only when, the Receivable shall have been paid in full or repurchased.

(e) Sale of Other Receivables. If at any time the Seller shall propose to sell, grant a security interest in, or otherwise transfer any interest in any automobile or light duty truck receivables (other than the Receivables) to any prospective purchaser, lender, or other transferee, the Seller shall give to such prospective purchaser, lender, or other transferee computer tapes, records, or print-outs (including any restored from back-up archives) that, if they shall refer in any manner whatsoever to any Receivable, shall indicate clearly that such Receivable has been sold and is owned by the Purchaser unless such Receivable has been paid in full or repurchased.

(f) Access to Records. The Seller shall permit the Purchaser and its agents at any time during normal business hours to inspect, audit, and make copies of and abstracts from the Seller's records regarding any Receivable.

(g) List of Receivables. Upon request, the Seller shall furnish to the Purchaser, within five Business Days, a list of all Receivables (by contract number and name of Obligor) then owned by the Purchaser, together with a reconciliation of such list to the Schedule of Receivables.

(h) Receivable Files. On or prior to the Closing Date, the Seller shall deliver, either in hardcopy or electronic format to the Custodian pursuant to Section 3.3 of the Sale and Servicing Agreement, a complete Receivable File with respect to each such Receivable to be kept, either in hardcopy or electronic format, at the locations listed in Schedule B to the Sale and Servicing Agreement.

(i) Other Actions. The Seller shall from time to time, at its expense, promptly execute and deliver all future instruments and documents (including, without limitation, powers of attorney for the benefit of the Servicer) and take all further action that may be necessary or desirable to permit the Servicer to perform its obligations under the Sale and Servicing Agreement, including, without limitation the Servicer's obligation to preserve and maintain the perfected security interest in the Receivables and the Financed Vehicles.

Section 5.2 Other Liens or Interests. Except for the conveyances hereunder and pursuant to the Sale and Servicing Agreement, the Seller will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any lien on any interest therein, and the Seller shall defend the right, title, and interest of the Purchaser in, to and under the Receivables and the other Transferred Property against all claims of third parties claiming through or under the Seller.

Section 5.3 Chief Executive Office. During the term of the Receivables, the Seller will maintain its chief executive office in one of the states within the United States, except Louisiana or Vermont.

Section 5.4 Costs and Expenses. The Seller agrees to pay all reasonable costs and disbursements in connection with the perfection, as against all third parties, of the Purchaser's right, title and interest in and to the Receivables.

Section 5.5 Delivery of Receivable Files. On or prior to the Closing Date, the Seller shall deliver the Receivable Files for the Receivables to the Custodian at the location specified in Schedule B to the Sale and Servicing Agreement. The Seller shall have until the last day of the second Collection Period following receipt from the Custodian of notification, pursuant to Section 3.4 of the Sale and Servicing Agreement, that there has been a failure to deliver a file with respect to a Receivable or that a file is unrelated to the Receivables identified in Schedule A to the Sale and Servicing Agreement or that any of the documents referred to in Section 3.3 of the Sale and Servicing Agreement are not contained in a Receivable File, to deliver such file or any of the aforementioned documents required to be included in such Receivable File to the Custodian. Unless such defect with respect to such Receivable File shall have been cured by the last day of the second Collection Period following discovery thereof by the Custodian, the Seller hereby agrees to repurchase any such Receivable as of such last day. In consideration of the purchase of the Receivable, the Seller shall remit the Purchase Amount in the manner specified in the Sale and Servicing Agreement. The sole remedy hereunder of the Indenture Trustee, the Trust, the Grantor Trust or the Securityholders with respect to a breach of this Section 5.5, shall be to require the Seller to repurchase the Receivable pursuant to this Section 5.5 and Section 3.4 of the Sale and Servicing Agreement and to provide the indemnity required by Section 6.2 of this Agreement and Section 3.4 of the Sale and Servicing Agreement. Upon receipt of the Purchase Amount, the Indenture Trustee shall cause the Custodian to release to the Seller or its designee the related Receivable File and the Grantor Trustee shall execute and deliver all instruments of transfer or assignment, without recourse, as are prepared by the Seller and delivered to the Grantor Trustee and are necessary to vest in the Seller or such designee title to the Receivable.

Section 5.6 Indemnification.

(a) Subject to the limitation of remedies set forth in Section 6.2 with respect to a breach of any representations and warranties contained in Section 3.2(b), the Seller shall indemnify the Purchaser for any cost, expense, loss, damage, claim or liability as a result of the failure of a Receivable to be originated in compliance with all requirements of law and for any breach of any of its representations and warranties contained herein.

(b) The Seller shall defend, indemnify, and hold harmless the Purchaser from and against any and all costs, expenses, losses, damages, claims, and liabilities, arising out of or resulting from the use, ownership, or operation by the Seller or any Affiliate thereof of a Financed Vehicle.

(c) The Seller shall defend, indemnify, and hold harmless the Purchaser from and against any and all taxes, except for taxes on the net income of the Purchaser, that may at any time be asserted against the Purchaser with respect to the transactions contemplated herein, including, without limitation, any sales, gross receipts, general corporation, tangible personal property, privilege, or license taxes, and costs and expenses in defending against the same.

(d) The Seller shall defend, indemnify, and hold harmless the Purchaser from and against any and all costs, expenses, losses, damages, claims and liabilities to the extent that such cost, expense, loss, damage, claim or liability arose out of, or was imposed upon the Purchaser through, the negligence, willful misfeasance, or bad faith of the Seller in the performance of its duties under this Receivables Purchase Agreement, or by reason of reckless disregard of the Seller's obligations and duties under this Receivables Purchase Agreement.

(e) The Seller shall defend, indemnify, and hold harmless the Purchaser from and against all costs, expenses, losses, damages, claims and liabilities arising out of or incurred in connection with the acceptance or performance of the Seller's trusts and duties as Servicer under the Sale and Servicing Agreement, except to the extent that such cost, expense, loss, damage, claim or liability shall be due to the willful misfeasance, bad faith, or negligence (except for errors in judgment) of the Purchaser.

Indemnification under this Section 5.6 shall include reasonable fees and expenses of litigation and shall survive payment of the Securities and termination of the Basic Documents. These indemnity obligations shall be in addition to any obligation that the Seller may otherwise have.

Section 5.7 Sale. The Seller agrees to treat this conveyance as a secured financing for tax and financial accounting purposes, and as a sale for all other purposes (including without limitation legal and bankruptcy purposes), on all relevant books, records, tax returns, financial statements and other applicable documents.

Section 5.8 Non-Petition. In the event of any breach of a representation and warranty made by the Purchaser hereunder, the Seller covenants and agrees that it will not take any action to pursue any remedy that it may have hereunder, in law, in equity or otherwise, until a year and a day have passed since the date on which all securities issued by the Trust (including the Securities) and any similar trust heretofore or hereafter formed by the Purchaser have been paid in full. The Purchaser and the Seller agree that damages will not be an adequate remedy for breach of this covenant and that this covenant may be specifically enforced by the Purchaser or by the Trust.

## ARTICLE 6 MISCELLANEOUS PROVISIONS

Section 6.1 Obligations of Seller. The obligations of the Seller under this Receivables Purchase Agreement shall not be affected by reason of any invalidity, illegality or irregularity of any Receivable.

Section 6.2 Repurchase Events. The Seller hereby covenants and agrees with the Purchaser for the benefit of the Purchaser, the Indenture Trustee, the Grantor Trust and the Securityholders, that (i) the occurrence of a breach of any of the Seller's representations and warranties contained in Section 3.2(b) (without regard to any limitations regarding the Seller's knowledge) and (ii) the failure of the Seller to timely comply with its obligations pursuant to Section 5.5, shall constitute events obligating the Seller to repurchase the affected Receivables hereunder at the Purchase Amount. Unless the breach of any of the Seller's representations and warranties shall have been cured by the last day of the second Collection Period following the discovery thereof by or notice to the Purchaser and the Seller of such breach, the Seller shall repurchase any Receivable if such Receivable is materially and adversely affected by the breach as of the last day of such second Collection Period (or, at the Seller's option, the last day of the first Collection Period following the discovery) and, in the event that the breach relates to a characteristic of the Receivables in the aggregate, and if the Trust is materially and adversely affected by the breach, unless the breach shall have been cured by such second Collection Period, the Seller shall purchase the aggregate Principal Balance of affected Receivables, such that following such purchase such representation shall be true and correct with respect to the remainder of the Receivables in the aggregate. The provisions of this Section 6.2 are intended to grant the Indenture Trustee a direct right against the Seller to demand performance hereunder, and in connection therewith the Seller waives any requirement of prior demand against the Purchaser and waives any defaults it would have against the Purchaser with respect to such repurchase obligation. Any such purchase shall take place in the manner specified in Section 4.7 of the Sale and Servicing Agreement. For purposes of this Section 6.2, the Purchase Amount of a Receivable that is not consistent with the warranty pursuant to Section 3.2(b)(i)(A), (5) or (i)(A)(6) shall include such additional amount as shall be necessary to provide the full amount of interest as contemplated therein. The sole remedy hereunder of the Securityholders, the Trust, the Indenture Trustee, the Grantor Trust or the Purchaser against the Seller with respect to any Repurchase Event shall be to enforce the Seller's obligation to repurchase such Receivables pursuant to this Receivables Purchase Agreement; *provided, however*, that the Seller shall indemnify the Indenture Trustee, the Custodian, the Trust the Grantor Trust and the Securityholders against all costs, expenses, losses, damages, claims and liabilities, including reasonable fees and expenses of counsel, that may be asserted against or incurred by any of them, as a result of claims arising out of the events or facts giving rise to such breach. Upon receipt of the Purchase Amount, the Purchaser shall cause the Indenture Trustee to release the related Receivable Files to the Seller and to execute and deliver all instruments of transfer or assignment, without recourse, as are necessary to vest in the Seller title to the Receivables. Notwithstanding the foregoing, if it is determined that consummation of the transactions contemplated by the Sale and Servicing Agreement, the Indenture and the other transaction documents referenced in such agreements, servicing and operation of the Trust pursuant to Trust Agreement and such other documents, or the ownership of a Security by a Holder constitutes a violation of the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or the Internal Revenue Code of 1986, as amended ("Code") for which no statutory exception or administrative exemption applies, such violation shall not be treated as a Repurchase Event.

Section 6.3 Seller's Assignment of Purchased Receivables. With respect to all Receivables repurchased by the Seller pursuant to this Receivables Purchase Agreement, the Purchaser shall assign, without recourse (except as provided herein), representation or warranty, to the Seller all the Purchaser's right, title and interest in and to such Receivables, and all security and documents relating thereto.

Section 6.4 Conveyance as Sale of Receivables Not Financing. The parties hereto intend that the conveyance hereunder be a sale of the Receivables and the other Transferred Property from the Seller to the Purchaser and not a financing secured by such assets; and the beneficial interest in and title to the Receivables and the other Transferred Property shall not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law. In the event that any conveyance hereunder is for any reason not considered a sale, the parties intend that this Receivables Purchase Agreement constitute a security agreement under the UCC (as defined in the UCC as in effect in the State of California) and applicable law, and the Seller hereby grants to the Purchaser a first priority perfected security interest in, to and under the Receivables and the other Transferred Property, and other property conveyed hereunder and all proceeds of any of the foregoing for the purpose of securing payment and performance of the Securities and the repayment of amounts owed to the Purchaser from the Seller.

Section 6.5 Trust. The Seller acknowledges that the Purchaser will, pursuant to the Sale and Servicing Agreement, sell the Receivables to the Trust and assign its rights under this Receivables Purchase Agreement to the Trust, which will further assign such rights to the Grantor Trust, and that the representations and warranties contained in this Receivables Purchase Agreement and the rights of the Purchaser under this Receivables Purchase Agreement, including under Sections 5.6, 6.2 and 6.4 are intended to benefit the Trust and the Securityholders. The Seller also acknowledges that the Indenture Trustee on behalf of the Securityholders as assignee of the Purchaser's rights hereunder may directly enforce, without making any prior demand on the Purchaser, all the rights of the Purchaser hereunder including the rights under Sections 5.6, 6.2 and 6.4. The Seller hereby consents to such sales and assignments.

Section 6.6 Amendment.

(a) This Receivables Purchase Agreement may be amended by the Seller and the Purchaser without the consent of any other party (i) to cure any ambiguity, (ii) to correct or supplement any provisions in this Agreement, (iii) to comply with any changes in the Code, (iv) to cause the provisions of this Agreement to confirm or be consistent with or in furtherance of the statements made in the Memorandum with respect to the Notes, the parties hereto or this Agreement, or (v) to make any other provisions with respect to matters or questions arising under this Agreement that shall not be inconsistent with the provisions of this Agreement; *provided, however*, that such amendment (other than an amendment effected pursuant to clause (iv) above) shall not, as evidenced by an Opinion of Counsel or an Officer's Certificate of the Seller delivered to the Owner Trustee and the Indenture Trustee, adversely affect in any material respect the interests of any Noteholder without the consent of such Noteholder; *provided, further*, that any such amendment shall be deemed to not adversely affect in any material respect the interests of any Noteholder of a Class if the Rating Agency Condition with respect to that Class is satisfied (and upon such satisfaction, no Opinion of Counsel or Officer's Certificate shall be necessary with respect to the related Class).

(b) This Agreement may also be amended from time to time by the Seller and the Purchaser, with the consent of Holders of a majority of the aggregate outstanding Note Balance of the Controlling Class, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement; *provided, however*, without the consent of each Securityholder affected thereby, no such amendment shall, (i) increase or reduce in any manner the amount of, or accelerate or delay the timing of, collections of payments on Receivables or distributions that shall be required to be made for the benefit of the Securityholders, (ii) change the date of payment of any installment of principal of or interest on any Security, or reduce the principal amount thereof, the interest rate thereon or the redemption price with respect thereto; (iii) modify this Section 6.6(b); *provided, however*, that such action shall not, as evidenced by an Opinion of Counsel delivered to the Owner Trustee and the Indenture Trustee, adversely affect in any material respect the interests of any Securityholder without the consent of such Securityholder; *provided, further*, that any such amendment shall be deemed to not adversely affect in any material respect the interests of any Noteholder of a Class if the Rating Agency Condition with respect to that Class is satisfied.

(c) Promptly after the execution of any such amendment or consent, the Purchaser shall furnish written notification of the substance of such amendment or consent to each Securityholder and the Rating Agency.

(d) It shall not be necessary for the consent of the Securityholders pursuant to this Section 6.6 to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents and of evidencing the authorization of the execution thereof by the Securityholders shall be subject to such reasonable requirements as the Indenture Trustee and Owner Trustee may prescribe, including the establishment of Record Dates (as defined in the Indenture with respect to the Noteholders and as defined in the Trust Agreement with respect to the Residual Certificateholders). The consent of a Securityholder given pursuant to this Section 6.6 or pursuant to any other provision of this Agreement shall be conclusive and binding on such Securityholder and on all future Securityholders and of any Security issued upon the transfer thereof or in exchange thereof or in lieu thereof whether or not notation of such consent is made upon the Security.

Section 6.7 Accountants' Letters. (a) KPMG LLP will review the characteristics of the Receivables and will compare those characteristics to the information with respect to the Receivables contained in the PPM; (b) the Seller will cooperate with the Purchaser and KPMG LLP in making available all information and taking all steps reasonably necessary to permit such accountants to complete the review set forth in (a) above; and (c) KPMG LLP will deliver to the Purchaser letters, dated the dates of the Preliminary PPM and the Final PPM, in the form previously agreed to by the Seller and the Purchaser, with respect to the financial and statistical information contained in the Preliminary PPM and the Final PPM under the captions "Servicing and Collections-Delinquency and Loss Experience", "The Receivables Pool" and "Yield and Prepayment Considerations", certain information relating to the Receivables on magnetic tape obtained from the Seller and the Purchaser and with respect to such other information as may be agreed in the form of letter.

Section 6.8 Waivers. No failure or delay on the part of the Purchaser in exercising any power, right or remedy under the Agreements shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy.

Section 6.9 Notices. All communications and notices pursuant hereto to either party shall be in writing or by telegraph or telex and addressed or delivered to it at its address (or in case of telex, at its telex number at such address) shown in the opening portion of this Receivables Purchase Agreement or at such other address as may be designated by it by notice to the other party and, if mailed or sent by telegraph or telex, shall be deemed given when mailed, communicated to the telegraph office or transmitted by telex.

Section 6.10 Costs and Expenses. The Seller will pay all expenses incident to the performance of its obligations under this Receivables Purchase Agreement and the Seller agrees to pay all reasonable out-of-pocket costs and expenses of the Purchaser in connection with the perfection as against third parties of the Purchaser's right, title and interest in and to the Receivables and security interests in the Financed Vehicles and the enforcement of any obligation of the Seller hereunder.

Section 6.11 Representations of the Seller and the Purchaser. The respective agreements, representations, warranties and other statements by the Seller and the Purchaser set forth in or made pursuant to this Receivables Purchase Agreement shall remain in full force and effect and will survive the closing under Section 2.3.

Section 6.12 Confidential Information. The Purchaser agrees that it will neither use nor disclose to any Person the names and addresses of the Obligors, except in connection with the enforcement of the Purchaser's rights hereunder, under the Receivables, under the Sale and Servicing Agreement or as required by law.

Section 6.13 Headings and Cross-References. The various headings in this Receivables Purchase Agreement are included for convenience only and shall not affect the meaning or interpretation of any provision of this Receivables Purchase Agreement. References in this Receivables Purchase Agreement to Section names or numbers are to such Sections of this Receivables Purchase Agreement.

Section 6.14 Third-Party Beneficiaries. The parties hereto hereby expressly agree that the Indenture Trustee for the benefit of the Noteholders shall be an express third-party beneficiary of this Receivables Purchase Agreement, and no third party other than the Indenture Trustee for the benefit of the Noteholders shall be deemed a third party beneficiary of this Receivables Purchase Agreement. As a third party beneficiary to the provisions of this Receivables Purchase Agreement, Indenture Trustee and its successors and assigns shall be entitled to rely upon and directly enforce the provisions of this Receivables Purchase Agreement.

Section 6.15 Governing Law; Waiver of Jury Trial; Jurisdiction. EXCEPT AS PROVIDED OTHERWISE IN SECTION 6.17, THIS RECEIVABLES PURCHASE AGREEMENT AND THE ASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH, AND THIS RECEIVABLES PURCHASE AGREEMENT AND ALL MATTERS ARISING OUT OF OR RELATING IN ANY WAY TO THIS RECEIVABLES PURCHASE AGREEMENT SHALL BE GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES. THE PARTIES HERETO HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS RECEIVABLES PURCHASE AGREEMENT, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY THE PARTIES HERETO, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. THE PARTIES HERETO ARE HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER.

EACH OF THE PARTIES HERETO IRREVOCABLY (I) SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT; (II) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM IN ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT; (III) AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW; AND (IV) CONSENTS TO SERVICE OF PROCESS UPON IT BY MAILING A COPY THEREOF BY CERTIFIED MAIL ADDRESSED TO IT AS PROVIDED FOR NOTICES HEREUNDER AND AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY MANNER PERMITTED BY LAW.

Section 6.16 Counterparts. This Receivables Purchase Agreement may be executed in two or more counterparts and by different parties on separate counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 6.17 Intention of Parties Regarding Delaware Securitization Act. It is the intention of the Seller and the Purchaser that the transfer and assignment of the Transferred Property contemplated by Section 2.1 shall constitute a sale of the Transferred Property from the Seller to the Purchaser, conveying good title thereto free and clear of any liens, and the beneficial interest in and title to the Transferred Property shall not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy or similar law. In addition, for purposes of complying with the requirements of the Asset-Backed Securities Facilitation Act of the State of Delaware, 6 Del. C. § 2701A, et seq. (the "Securitization Act"), each of the parties hereto hereby agrees that:

(a) any property, assets or rights purported to be transferred, in whole or in part, by the Seller to the Purchaser pursuant to this Receivables Purchase Agreement shall be deemed to no longer be the property, assets or rights of the Seller;

(b) none of the Seller, its creditors or, in any insolvency proceeding with respect to the Seller or the Seller's property, a bankruptcy trustee, receiver, debtor, debtor in possession or similar person, to the extent the issue is governed by Delaware law, shall have any rights, legal or equitable, whatsoever to reacquire (except pursuant to a provision of this Receivables Purchase Agreement), reclaim, recover, repudiate, disaffirm, redeem or recharacterize as property of the Seller any property, assets or rights purported to be transferred, in whole or in part, by the Seller to the Purchaser pursuant to this Receivables Purchase Agreement;

(c) in the event of a bankruptcy, receivership or other insolvency proceeding with respect to the Seller or the Seller's property, to the extent the issue is governed by Delaware law, such property, assets and rights shall not be deemed to be part of the Seller's property, assets, rights or estate; and

(d) the transaction contemplated by this Receivables Purchase Agreement shall constitute a "securitization transaction" as such term is used in the Securitization Act.

[Rest of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereby have caused this Receivables Purchase Agreement to be executed by their respective officers thereunto duly authorized as of the date and year first above written.

CPS RECEIVABLES FIVE LLC

By: /s/ Denesh Bharwani

Name: Denesh Bharwani

Title: Executive Vice President and Assistant Secretary

CONSUMER PORTFOLIO SERVICES, INC.

By: /s/ Denesh Bharwani

Name: Denesh Bharwani

Title: Executive Vice President and Chief Financial Officer

**EXHIBIT A**

**Form of Assignment**

ASSIGNMENT

For value received, on this 27<sup>th</sup> day of January 2026, in accordance with the Receivables Purchase Agreement dated as of January 1, 2026, between the undersigned (the “Seller”) and CPS Receivables Five LLC (the “Purchaser”) (the “Receivables Purchase Agreement”), the undersigned does hereby sell, transfer, assign and otherwise convey unto the Purchaser, without recourse (subject to the obligations in the Receivables Purchase Agreement and the Sale and Servicing Agreement), all right, title and interest of the Seller in, to and under (i) the Receivables listed in the Schedule of Receivables and all monies received thereunder after the Cutoff Date and all Net Liquidation Proceeds and Recoveries received with respect to such Receivables after the Cutoff Date; (ii) the security interests in the Financed Vehicles granted by the related Obligor pursuant to the Receivables and any other interest of the Seller in such Financed Vehicles, including, without limitation, the Lien Certificates with respect to Financed Vehicles; (iii) any proceeds from claims on any physical damage, credit life and credit accident and health insurance policies or certificates relating to the Financed Vehicles securing the Receivables or the Obligors thereunder; (iv) all proceeds from recourse against Dealers with respect to the Receivables; (v) refunds for the costs of extended service contracts with respect to Financed Vehicles securing the Receivables, refunds of unearned premiums with respect to credit life and credit accident and health insurance policies or certificates covering an Obligor or Financed Vehicle or an Obligor’s obligations with respect to a Receivable or a Financed Vehicle and any recourse to Dealers for any of the foregoing; (vi) the Receivable File related to each Receivable; (vii) all property (including the right to receive future Net Liquidation Proceeds) that secures a Receivable that has been acquired by or on behalf of the Seller, pursuant to a liquidation of such Receivable; and (viii) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of the conversion, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, insurance proceeds, condemnation awards, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing (collectively, the “Transferred Property”). The foregoing sale does not constitute and is not intended to result in any assumption by the Purchaser of any obligation of the undersigned to the Obligors, insurers or any other Person in connection with the Receivables, the related Receivable Files, any insurance policies or any agreement or instrument relating to any of them.

This Assignment is made pursuant to and upon the representations, warranties and agreements on the part of the undersigned contained in the Receivables Purchase Agreement and is to be governed by the Receivables Purchase Agreement.

It is the intention of the Seller and the Purchaser that the transfer and assignment of the Transferred Property contemplated by this Assignment shall constitute a sale of the Transferred Property from the Seller to the Purchaser, conveying good title thereto free and clear of any liens, and the beneficial interest in and title to the Transferred Property shall not be part of the Seller’s estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy or similar law. In addition, for purposes of complying with the requirements of the Asset-Backed Securities Facilitation Act of the State of Delaware, 6 Del. C. § 2701A, et seq. (the “Securitization Act”); (i) any property, assets or rights purported to be transferred, in whole or in part, by the Seller to the Purchaser pursuant to this Assignment shall be deemed to no longer be the property, assets or rights of the Seller; (ii) none of the Seller, its creditors or, in any insolvency proceeding with respect to the Seller or the Seller’s property, a bankruptcy trustee, receiver, debtor, debtor in possession or similar person, to the extent the issue is governed by Delaware law, shall have any rights, legal or equitable, whatsoever to reacquire (except pursuant to a provision of this Assignment), reclaim, recover, repudiate, disaffirm, redeem or recharacterize as property of the Seller any property, assets or rights purported to be transferred, in whole or in part, by the Seller to the Purchaser hereby or pursuant to the Receivables Purchase Agreement; (iii) in the event of a bankruptcy, receivership or other insolvency proceeding with respect to the Seller or the Seller’s property, to the extent the issue is governed by Delaware law, such property, assets and rights shall not be deemed to be part of the Seller’s property, assets, rights or estate; and (iv) the transaction contemplated by this Assignment shall constitute a “securitization transaction” as such term is used in the Securitization Act.

SUBJECT TO THE PRECEDING PARAGRAPH, THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Receivables Purchase Agreement.

Exhibit A-2

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IN WITNESS WHEREOF, the undersigned has caused this Assignment to be duly executed as of the day and year first above written.

CONSUMER PORTFOLIO SERVICES, INC.

By: \_\_\_\_\_

Name: Denesh Bharwani

Title: Executive Vice President and Chief Financial Officer

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Exhibit A-3

**Exhibit B**

**Schedule of Receivables**

[Available Upon Request]

Exhibit B

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Exhibit C

**RESERVED**

Exhibit C

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## CERTIFICATION

I, Charles E. Bradley, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended March 31, 2026 of Consumer Portfolio Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the period presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2026

/s/ CHARLES E. BRADLEY, JR.

Charles E. Bradley, Jr.  
Chief Executive Officer

## CERTIFICATION

I, Denesh Bharwani, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended March 31, 2026 of Consumer Portfolio Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the period presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2026

/s/ DENESH BHARWANI

Denesh Bharwani  
Chief Financial Officer

**Certification Pursuant To  
18 U.S.C. Section 1350,  
As Adopted Pursuant To  
Section 906 of The Sarbanes-Oxley Act Of 2002**

In connection with the Quarterly Report on Form 10-Q of Consumer Portfolio Services, Inc. (the "Company") for the quarterly period ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Charles E. Bradley, Jr., as Chief Executive Officer of the Company, and Denesh Bharwani, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2026

/s/ CHARLES E. BRADLEY, JR.

Charles E. Bradley, Jr.  
Chief Executive Officer

/s/ DENESH BHARWANI

Denesh Bharwani  
Chief Financial Officer

This certification accompanies each Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.