

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported) February 14, 2007

CONSUMER PORTFOLIO SERVICES, INC.

(Exact Name of Registrant as Specified in Charter)

CALIFORNIA ----- (State or Other Jurisdiction of Incorporation)	0-51027 ----- (Commission File Number)	33-0459135 ----- (IRS Employer Identification No.)
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16355 Laguna Canyon Road, Irvine, CA 92618

(Address of Principal Executive Offices) (Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report)

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information in this Item 2.02, and the related Exhibit 99.1, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

On February 14, 2007, the registrant issued a news release announcing its earnings for the quarter and year ended December 31, 2006. A copy of the release is attached as Exhibit 99.1. The registrant also announced that it will hold its regular quarterly conference call on February 15, 2007, at 1:30 p.m. eastern time to discuss its quarterly and full-year earnings. Those wishing to participate by telephone may dial-in at 973-409-9261 approximately 10 minutes prior to the scheduled time.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

EXHIBIT NUMBER	DESCRIPTION
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99.1	News Release dated February 14, 2007

SIGNATURES

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

CONSUMER PORTFOLIO SERVICES, INC.

Dated: February 14, 2007

By: /s/ JEFFREY P. FRITZ

Jeffrey P. Fritz
Sr. Vice President and Chief
Financial Officer

Signing on behalf of the registrant
and as principal financial officer

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
99.1	News Release dated February 14, 2007

 CONSUMER PORTFOLIO SERVICES, INC. REPORTS
 2006 FOURTH QUARTER AND FULL-YEAR EARNINGS

IRVINE, CALIFORNIA, FEBRUARY 14, 2007 (BUSINESS WIRE) -- Consumer Portfolio Services, Inc. (Nasdaq: CPSS) today announced earnings for its fourth quarter and year ended December 31, 2006.

Pretax income for the fourth quarter of 2006 increased to \$4.5 million, compared to pretax income of \$1.7 million for the comparable quarter ended December 31, 2005. Net income for the quarter ended December 31, 2006 was \$30.9 million, or \$1.30 per diluted share, compared to net income of \$1.7 million, or \$0.07 per diluted share, for the quarter ended December 31, 2005. Net income for the 2006 period included a net tax benefit of \$26.4 million, or \$1.11 per diluted share, related to the reversal of most of the valuation allowance against the deferred tax asset on the Company's books. Without the tax gain, net income for the quarter would have been \$4.5 million, or \$0.19 per diluted share, up from \$1.7 million, or \$0.07 per diluted share, in the fourth quarter of 2005.

For the three months ended December 31, 2006 total revenues increased approximately \$25.2 million, or 46.0%, to \$79.9 million, compared to \$54.7 million for the three months ended December 31, 2005. Total expenses for the three months ended December 31, 2006 were \$75.4 million, an increase of \$22.3 million, or 42.1%, as compared to \$53.0 million for the three months ended December 31, 2005.

Pretax income for the full-year 2006 increased to \$13.2 million, compared to pretax income of \$3.4 million for 2005. Net income for the year ended December 31, 2006 was \$39.6 million, or \$1.64 per diluted share, compared to net income of \$3.4 million, or \$0.14 per diluted share, for the year ended December 31, 2005. As discussed above, net income for 2006 included a net tax benefit of \$26.4 million, or \$1.09 per diluted share. Without the tax gain, net income for 2006 would have been \$13.2 million, or \$0.55 per diluted share, up from \$3.4 million, or \$0.14 per diluted share, for the full year 2005. Revenues for the year ended December 31, 2006 totaled \$278.9 million, an increase of \$85.2 million, or 44.0%, compared to \$193.7 million for 2005. Total expenses for the year ended December 31, 2006 were \$265.7 million, an increase of \$75.3 million, or 39.6%, as compared to \$190.3 million for the year ended December 31, 2005.

During the fourth quarter of 2006, Consumer Portfolio Services purchased \$241.4 million of contracts from dealers as compared to \$254.4 million during the third quarter of 2006 and \$188.1 million during the fourth quarter of 2005. For 2006, new contract purchases increased approximately 47.5% vs. 2005, increasing from \$691.3 million in 2005 to \$1,019.0 million in 2006. The Company's managed receivables totaled \$1,565.9 million at the end of 2006, an increase of \$444.2 million from \$1,121.7 million at the end of 2005, as follows (\$ in millions):

	Dec. 31, 2006	Dec. 31, 2005
Owned by Consolidated Subsidiaries*	\$1,527.3	\$1,000.6
Owned by Non-Consolidated Subsidiaries	34.8	103.1
As Third Party Servicer for SeaWest Financial	3.8	18.0
Total	\$1,565.9	\$1,121.7

* Before \$125.9 million and \$87.0 million of allowance for credit losses, deferred acquisition fees and repossessed vehicles for 2006 and 2005, respectively.

The Company continued its regular quarterly securitization program with the December sale of \$195.8 million of AAA/Aaa rated asset backed notes. In addition, in December the Company entered into a new \$35 million revolving residual credit facility. Subsequent to year end, the Company completed a \$25 million subordinated warehouse facility that will allow for an advance rate up to 93% of the principal balance of receivables it purchases.

Annualized net charge-offs during the December 2006 quarter were 5.9% of the average owned portfolio as compared to 6.0% in the December 2005 quarter. Annualized net charge-offs for the full-year 2006 were 4.5% of the average owned portfolio as compared to 5.3% for the full-year 2005. Delinquencies greater than 30 days (including repossession inventory) were 5.5% of the total owned portfolio as of December 31, 2006 as compared to 5.0% as of December 31, 2005.

"As we have discussed over the last several quarters, our financial results continue to improve," said Charles E. Bradley, Jr., President and Chief Executive Officer of Consumer Portfolio Services. "This is the result of the continued growth of our managed portfolio while maintaining tight control over credit and operating expenses. This quarter our net income benefited from a one-time tax gain that significantly strengthens our equity base and helps de-lever the balance sheet. More importantly, pretax income continues to show solid year-over-year growth. Going forward, we expect to start providing for federal and state income tax expense, which will impact net income and EPS."

"Operationally 2006 was another good year for the Company as we once again achieved significant originations growth. During the fourth quarter, purchases of new receivables remained strong although down slightly from the third quarter but consistent with seasonal patterns. On the servicing side of the business, we have continued to improve our use of behavioral scorecards which allows us to be more effective and efficient. Delinquencies and net charge-offs for the fourth quarter remained well within historical seasonal ranges."

CONFERENCE CALL

Consumer Portfolio Services announced that it will hold a conference call tomorrow, February 15, 2007, at 1:30 p.m. ET to discuss its quarterly and full-year earnings. Those wishing to participate by telephone may dial-in at 973-409-9261 approximately 10 minutes prior to the scheduled time.

A replay will be available between February 15, 2007 and February 22, 2007, beginning one hour after conclusion of the call, by dialing 877-519-4471 or 973-341-3080 for international participants, with pin number 8442344. A broadcast of the conference call will also be available live and for 30 days after the call via the Company's web site at www.consumerportfolio.com and at www.streetevents.com.

ABOUT CONSUMER PORTFOLIO SERVICES, INC.

Consumer Portfolio Services, Inc. is a specialty finance company engaged in purchasing and servicing new and used retail automobile contracts originated primarily by franchised automobile dealerships and to a lesser extent by select independent dealers of used automobiles in the United States. We serve as an alternative source of financing for dealers, facilitating sales to sub-prime customers, who have limited credit history, low income or past credit problems and who otherwise might not be able to obtain financing from traditional sources.

FORWARD-LOOKING STATEMENTS IN THIS NEWS RELEASE INCLUDE THE COMPANY'S RECORDED REVENUE, EXPENSE AND PROVISION FOR CREDIT LOSSES, BECAUSE THESE ITEMS ARE DEPENDENT ON THE COMPANY'S ESTIMATES OF FUTURE LOSSES, AND ALSO INCLUDE THE STATEMENT THAT CONTINUED EARNINGS ARE EXPECTED. THE ACCURACY OF SUCH ESTIMATES MAY BE ADVERSELY AFFECTED BY VARIOUS FACTORS, WHICH INCLUDE (IN ADDITION TO RISKS RELATING TO THE ECONOMY GENERALLY) THE FOLLOWING: POSSIBLE INCREASED DELINQUENCIES; REPOSSESSIONS AND LOSSES ON RETAIL INSTALLMENT CONTRACTS; INCORRECT PREPAYMENT SPEED AND/OR DISCOUNT RATE ASSUMPTIONS; POSSIBLE UNAVAILABILITY OF QUALIFIED PERSONNEL, WHICH COULD ADVERSELY AFFECT THE COMPANY'S ABILITY TO SERVICE ITS PORTFOLIO; POSSIBLE INCREASES IN THE RATE OF CONSUMER BANKRUPTCY FILINGS OR THE EFFECTS OF RECENT CHANGES IN BANKRUPTCY LAW, WHICH COULD ADVERSELY AFFECT THE COMPANY'S RIGHTS TO COLLECT PAYMENTS FROM ITS PORTFOLIO; OTHER CHANGES IN GOVERNMENT REGULATIONS AFFECTING CONSUMER CREDIT; POSSIBLE DECLINES IN THE MARKET PRICE FOR USED VEHICLES, WHICH COULD ADVERSELY AFFECT THE COMPANY'S REALIZATION UPON REPOSSESSED VEHICLES; AND ECONOMIC CONDITIONS IN GEOGRAPHIC AREAS IN WHICH THE COMPANY'S BUSINESS IS CONCENTRATED. ALL OF SUCH FACTORS ALSO MAY AFFECT THE COMPANY'S FUTURE EARNINGS, AS TO WHICH THERE CAN BE NO ASSURANCE.

ANY IMPLICATION THAT THE RESULTS OF THE MOST RECENTLY COMPLETED QUARTER ARE INDICATIVE OF FUTURE RESULTS IS DISCLAIMED, AND THE READER SHOULD DRAW NO SUCH INFERENCE. FACTORS SUCH AS THOSE IDENTIFIED ABOVE IN RELATION TO PROVISION FOR CREDIT LOSSES MAY AFFECT FUTURE PERFORMANCE.

INVESTOR RELATIONS CONTACT

Robert E. Riedl
Consumer Portfolio Services
949-753-6800

CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three months ended December 31,		Twelve months ended December 31,	
	2006	2005	2006	2005
REVENUES:				
Interest income	\$ 75,376	\$ 49,819	\$ 263,565	\$ 171,834
Servicing fees	458	1,156	2,895	6,647
Other income	4,059	3,739	12,403	15,216
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	79,893	54,714	278,863	193,697
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EXPENSES:				
Employee costs	10,133	10,727	38,483	40,384
General and administrative	6,249	6,407	23,197	23,095
Interest	27,700	15,827	93,113	51,669
Provision for credit losses	26,734	15,633	92,056	58,987
Impairment loss on residual asset	--	--	--	--
Other expenses	4,559	4,452	18,814	16,190
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	75,375	53,046	265,663	190,325
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Income (loss) before income taxes	4,518	1,668	13,200	3,372
Income taxes	(26,355)	--	(26,355)	--
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Net income (loss)	\$ 30,873	\$ 1,668	\$ 39,555	\$ 3,372
	=====	=====	=====	=====
Earnings (loss) per share:				
Basic	\$ 1.43	\$ 0.08	\$ 1.82	\$ 0.16
Diluted	1.30	0.07	1.64	0.14
Earnings (loss) per share without tax gain:				
Basic	\$ 0.21	\$ 0.08	\$ 0.61	\$ 0.16
Diluted	0.19	0.07	0.55	0.14
Number of shares used in computing earnings (loss) per share:				
Basic	21,626	21,698	21,759	21,627
Diluted	23,792	23,835	24,052	23,513

CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)
(UNAUDITED)

	December 31, 2006 -----	December 31, 2005 -----
Cash	\$ 14,215	\$ 17,789
Restricted cash	193,001	157,662
Total Cash	207,216	175,451
Finance receivables	1,480,794	971,304
Allowance for finance credit losses	(79,380)	(57,728)
Finance receivables, net	1,401,414	913,576
Residual interest in securitizations	13,795	25,220
Other assets	94,605	40,897
	-----	-----
	\$ 1,717,030	\$ 1,155,144
	=====	=====
Accounts payable and other liabilities	\$ 17,752	\$ 19,779
Warehouse lines of credit	72,950	35,350
Residual interest financing	31,378	43,745
Securitization trust debt	1,442,995	924,026
Senior secured debt	25,000	40,000
Subordinated debt	13,619	18,655
	-----	-----
	1,603,694	1,081,555
	-----	-----
Shareholders' equity	113,336	73,589
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	\$ 1,717,030	\$ 1,155,144
	=====	=====

OPERATING AND PERFORMANCE DATA (\$ IN THOUSANDS)

	At and for the Three months ended December 31,		At and for the Twelve months ended December 31,	
	2006	2005	2006	2005
Contract purchases	241,361	188,108	1,019,018	691,252
Total managed portfolio	1,565,905	1,121,747	1,565,905	1,121,747
Average managed portfolio	1,539,098	1,102,091	1,376,781	997,697
Net interest margin (1)	47,676	33,992	170,452	120,165
Risk adjusted margin (2)	20,942	18,359	78,396	61,178
Core operating expenses (3) as % of average managed portfolio	20,941 5.44%	21,586 7.83%	80,494 5.85%	79,669 7.99%
Annualized return on managed assets (4)	1.17%	0.61%	0.96%	0.34%
Allowance as % of finance receivables	5.36%	5.94%	5.36%	5.94%
Delinquencies				
	31+ Days	3.99%	3.78%	3.99%
	Repossession Inventory	1.54%	1.21%	1.54%
	Total Delinquencies and Repossession Inventory	5.53%	4.99%	5.53%
Annualized net charge-offs as % of average owned portfolio	5.92%	6.02%	4.50%	5.25%

(1) Interest income less interest expense.

(2) Net interest margin less provision for credit losses.

(3) Total expenses less interest and provision for credit losses.

(4) Pretax income divided by average managed portfolio.