

I gave my car to my brother and now I'm ready to file bankruptcy. Wrong!

If you gave your car to your brother and think you're ready to file bankruptcy, you are about as wrong as wrong can be.

- **The trustee assigned to your bankruptcy case could probably get that car back from your brother**, sell it, and give the proceeds to your creditors.
- **Why? Because it was probably a "fraudulent conveyance" in bankruptcy terms**, a transfer of assets to someone without getting fair market value for it. There are other requirements for a fraudulent conveyance, but we won't deal with them here.
- **You wouldn't be able to "exempt" the car** (protect it from the trustee and your creditors) in your bankruptcy because you didn't have it (your brother had it).
- **If you had kept the car**, you may well have been able to exempt (protect) it in your bankruptcy.

What can you do now? Transferring the car back to you before filing bankruptcy would probably work, and then you would be in the same position as if you had never transferred it.

What's the basic problem here? Trying to do pre-bankruptcy planning without consulting with a bankruptcy attorney. This stuff is not simple.

For even worse possible results, read this:

[Can't I just transfer the title of my car to my sister?](#)

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