

Area Bank Placed into Cease and Desist

Written by Adam Hicks

Tuesday, 08 September 2009 07:13

Bank of Granite, which is headquartered in Caldwell County, was placed into a cease and desist by federal regulators last week.

According to our Foothills Bureau, the motion is one of the most serious regulatory steps that the FDIC can take in bank oversight. A cease and desist order instructs a bank to change certain operating practices to improve its earnings performance and capital levels.

Bank of Granite will also have to report to the FDIC and the North Carolina Commissioner of Banks at least once every quarter.

The cease and desist order will not affect customer deposits or loans. Deposits are also still covered by FDIC insurance up to \$250,000. Non-interest-bearing transaction accounts are also fully covered by FDIC insurance.