

Cease and Desist Doesn't Mean Bank of Granite will Fail

Written by Adam Hicks

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Although federal regulators recently placed Bank of Granite under a cease and desist order, it doesn't mean the Caldwell County-based bank will fail.

The Charlotte Observer reports is simply means that regulators are seriously concerned and are trying to stop practices they believe are unsafe. The cease and desist order imposes restrictions requiring the bank to raise capital levels, assess its leaders, and make other steps to make the bank financially sound once again.

Bank of Granite's CEO, Scott Anderson, announced that the bank was placed under a cease and desist order on Friday.

North Carolina Banking Commissioner Joseph Smith told the Charlotte Observer that banks across the state have enough capital in most cases and more than capable management to get through the rough economy.

While Bank of Granite has branches in Boone, Wilkesboro, and other cities across the region; they are mostly concentrated to Caldwell and Catawba counties. The Observer says locally-owned banks are tied much tighter to the economic state of their community than larger banks, and the foothills area has seen some of the highest unemployment rates since the economic downturn.

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