



January 11, 2022

Ms. Mary Jane Coombs
Branch Chief, Industrial Relations Division
California Air Resources Board (CARB)
1001 I Street
Sacramento, CA 95814

Re: Petition to Regulate Sulfuryl Fluoride to Reduce the Use of the High Global Warming Potential Pesticide

Dear Mrs. Coombs:

I am writing to you on behalf of the California Land Title Association (CLTA), which has represented the title insurance industry within California since 1907, to comment on the Petition to Regulate Sulfuryl Fluoride (Petition) filed by the Center for Biological Diversity and Californians for Pesticide Reform with the California Air Resources Board (CARB) on October 27, 2022, and which would ban the use of sulfuryl fluoride (SF) in the State of California.

As a non-profit trade association consisting of companies underwriting title insurance and conducting title insurance services in the State of California, the CLTA has maintained a longstanding position of opposing proposals and legislation that would have negative impacts on housing affordability within California. As explained in detail below, a prohibition on SF has the potential to disrupt real estate transactions and raise housing costs within California, and we therefore must oppose the petition intended to ban its use.

Almost every transaction related to the purchase or refinancing of commercial or residential property located in California results in the opening of a file at a title insurance company. Title companies conduct searches of real property records in order to identify ownership interests, mortgages, liens, easements, and covenants associated with a given piece of real property in preparation to issue a policy of title insurance. Additionally, these companies also perform escrow services to collect all of the documents and disclosures necessary to complete the property transaction.

Real estate transactions are extremely time sensitive. Every contract for the sale of real property contains a deadline to close the sale which is a condition precedent to closing the transaction. In some cases, the deadline to close is dictated by law as in a 1031 exchange and distressed property sales. In other situations, the date to close the transaction is critically important to the parties due to possible changes in interest rates, deadlines to payoff loans, relocation schedules, and related contingency sales.

Pest inspections, and the remedial work necessary to correct any issues relative to the property identified by those inspections, are a critical element necessary to complete the sales transaction with the agreed-upon closing date.

Fumigation using SF is the standard in the real estate industry to mitigate and to remedy termite infestations in buildings. SF treatments are affordable, readily available and are the only known treatment to achieve 100-percent efficacy in all circumstances. Any of the other alternatives to whole structure fumigation will take more time, be substantially more expensive, and can cause negative side effects, such as damage to the structure that is undergoing treatment. For example, temperature treatments can warp or melt building materials, and must compete with building insulated materials that are designed to prevent the changes in temperatures that can limit the heating and freezing being used to achieve control. Other treatments can require the opening of non-accessible areas of a building, or replacing infested wood, both of which can be very expensive and time consuming.

Banning the use of SF within California could therefore adversely affect residential sale transactions within the state by delaying closings and undermining sales contracts due to the potentially significant unanticipated costs and time delays associated with hiring and scheduling contractors to tear out and replace infested wood, and open inaccessible areas of a home for inspection.

California can ill-afford another blow to housing affordability at a time when so many residents within the state are already struggling to purchase their home.

At this time and for these reasons, CLTA urges the California Air Resources Board to deny the Petition.

Respectfully,

A handwritten signature in black ink, appearing to read 'Craig C. Page', with a stylized flourish at the end.

Craig C. Page
Executive Vice President
and Counsel