

**Real People Group of Companies**



**Language Policy in terms of Section 48(3) of the National Credit Act 34 of 2005**

## 1. Introduction

In terms of the National Credit Act 34 of 2005 (“the Act”) a consumer has a right to receive any document that is required in terms of this Act in an official language that the consumer reads or understands, to the extent that is reasonable having regard to usage, practicality, expense, regional circumstances and the balance of the needs and preferences of the population ordinarily served by the person required to deliver that document.

The following companies in the Real People Group of Companies are registered Credit Providers and are hereinafter referred to as Real People Group:

- Real People Urban Properties (Pty) Ltd - NCRCP1976
- Real People (Pty) Ltd - NCRCP103
- DMC Debt Management (Pty) Ltd - NCRCP2968
- Real People Micro Enterprise Funding (Pty) Ltd - NCRCP3185
- Real People Incremental Funding (Pty) Ltd - NCRCP3412
- Real People Factors (Pty) Ltd - NCRCP910
- Real People Housing (Pty) Ltd - NCRCP912
- Real People Education (Pty) Ltd – NCRCP1143
- Evolution Cashflows Ltd – NCRCP5300
- Real People Credit (Pty) Ltd - NCRCP1801
- MKA Debt Solutions - NCRCP3636

Real People Group originally submitted a language policy to the National Credit Regulator having taken into account the above factors, and it was proposed that English and Afrikaans would be the two official languages used to provide information to our clients. In the absence of feed-back from the National Credit Regulator for a lengthy period of time, this policy was adopted and at the present time all loan documentation is available to Real People Group clients in both English and Afrikaans.

In terms of 63(4)(b)(ii) of the Act the National Credit Regulator must either approve the proposal; or require the submission of a fresh proposal. On the 19<sup>th</sup> of June 2009 Real People Group were notified that the proposal has not been accepted and a new medium-term (twenty-four month) proposal was submitted proposing isiZulu and isiXhosa as new languages. Such aforesaid approval, submitted in September 2009 was also not accepted in totality as the National Credit Regulator indicated that it wanted Sesotho to be one of the proposed new languages. We therefore submit the following new language proposal for the Real People Group, which was accepted by the National Credit Regulator on the 19<sup>th</sup> March 2010.

## 2. Inclusion of other official languages

In the light of the above, Real People Group therefore hereby proposes in terms of the requirements of Section 63(2)(a) of the NCA, to have

- (i) isiXhosa and
- (ii) Sesotho

as the two extra official languages, for use throughout the Republic, in which NCA-mandated documents will be made available to Real People Group clients.

Accordingly, at the end of the twenty-four month implementation period, Real People Group will provide such documents to its clients in one of four official languages, as selected by the client, (English, Afrikaans, isiXhosa or Sesotho), based on the circumstances of that particular client.

### 2.1. Qualification of choice of languages

Real People Group's choice of language is qualified by the following considerations as contained in Section 63 (1) of the NCA:

- 2.1.1. regional circumstances
- 2.1.2. usage, needs and preferences of the population
- 2.1.3. practicality & expense

### 2.2. Regional Circumstances

In order to establish the regional circumstances, the following national demographics have been taken into consideration:

<b>Province</b>	<b>First Language</b>	<b>Percentage</b>	<b>Second Language</b>	<b>Percentage</b>
Eastern Cape	isiXhosa	83%	Afrikaans	9%
Free State	Sesotho	64%	Afrikaans	12%
Gauteng	isiZulu	21%	Afrikaans	14%
KwaZulu-Natal	isiZulu	81%	English	13%
Limpopo	Sepedi	52%	Xitsonga	22%
Mpumalanga	siSwati	31%	isiZulu	26%
Northern Cape	Afrikaans	68%	Setswana	21%
North West	Setswana	65%	Afrikaans	7%
Western Cape	Afrikaans	55%	English	19%

### 2.3. Usage and needs and preferences of the population

The number of points of presence of the credit provider in each province of the Republic as well as an identification of the dominant as well as second preferred languages ordinarily utilized by the general population in each province of the Republic:

<b>Province</b>	<b>Branches</b>	<b>First language</b>	<b>Second Language</b>
Eastern Cape	3	IsiXhosa	Afrikaans
Free State	4	Sesotho	Afrikaans
Gauteng	17	isiZulu	Afrikaans
KwaZulu-Natal	12	isiZulu	English
Limpopo	10	Sepedi	Xitsonga
Mpumalanga	4	siSwati	isiZulu
Northern Cape	4	Afrikaans	Setswana
North West	7	Setswana	Afrikaans
Western Cape	12	Afrikaans	isiXhosa
<b>TOTAL</b>	73		

It must be noted that the abovementioned branch distribution is not an indication of the number of clients serviced, which may be disproportionate to the number of branches in an area, but is rather an indication of geographic footprint of Real People operations.

Average languages ordinarily utilized by the general population in each province of the Republic as per location of our nationwide branches:

<b>First Language</b>		<b>Second Language</b>		<b>Average Spoken Language</b>	
isiZulu	39%	Afrikaans	42.5%	Afrikaans	32.2%
Afrikaans	21.9%	English	16.5%	Zulu	22.6%
Sepedi	13%	isiXhosa	16.5%	isiXhosa	10.3%
Setswana	9.6%	Xitsonga	13%	English	8.3%
Siswati	5.4%	isiZulu	5.4%	Setswana	7.5%
isiXhosa	4.1%	Setswana	5.4%	Sepedi	6.8%
Sesotho	4%			Other	12.3%

## 2.4. Practicality and expense

With regard to practicality and expense the majority of Real People Group staff in each province are able to converse in English or Afrikaans. It should however be noted that given the preferred language in each area, there should always be a staff member that can converse in the preferred language, but due to the factors set out in sect 63(2) it will not be possible to provide the documents in the preferred language in each province.

Accordingly it would not be practical to immediately introduce documents in languages that staff would be unable to conduct business in. It is also impractical as well as very costly to employ a staff member in each of the 73 branches who can converse in each of the preferred languages. It has also been the case that clients, even those situated in predominantly Afrikaans-speaking communities, overwhelmingly elect to receive their documents in English, and very little election of Afrikaans loan documentation is made in practice.

## 3. Inclusion of isiXhosa and Sesotho

All the loan documents available to clients are currently available in English and Afrikaans. The next two most commonly spoken languages based on the average most spoken language as a first or second language based on the location of our branches countrywide is isiXhosa and thereafter Sesotho, which are the two languages that we would like to propose for usage on the relevant documents.

### 3.1. Isixhosa

Real People started out, and its Head Office is based in the Eastern Cape, where isixhosa is the dominant language. isiXhosa is part of the Nguni language grouping which consists of isiXhosa, isiZulu, siSwati and isiNdebele which share many similarities in syntax and grammar. IsiXhosa should thus be able to be understood by the other Nguni language group speakers.

### 3.2. Sesotho

Sesotho is part of the Sotho language grouping which comprises Sesotho, Setswana and Sepedi, which languages also have much in common. Accordingly Sesotho should be understandable amongst the other Sotho language speakers.

As can be seen from the above, the 2 proposed languages will be able to serve the needs and preferences of the population being ordinarily served by the Real People Group.

#### **4. Categories of agreements and documents**

##### 4.1. The Real People Group originates the following categories of agreements:

- Small Credit Agreement
- Short Term Credit Transaction
- Unsecured Credit Transaction
- Intermediate Credit Agreement
- Developmental Credit Agreement

##### 4.2. Documents:

Application for credit

- Pre-agreement statement and quotation (which is combined into the Quotation/Loan Agreement which is a pre-agreement statement and quotation until accepted and signed by the client)
- Quotation / Loan agreement – included in pre-agreement statement and quotation (only becomes a loan agreement when signed by the client)
- Disclosure to client in respect of insurance
- Form 27 Debit Order authorization
- Statement of Account
- Enforcement Notice: Section 129(1) letter
- All documents related to NCR will be included

#### **5. Incremental Implementation of the proposal**

##### 5.1. Stage 1: Introduction of isiXhosa Documentation

Taking into account the factors pointed out above in 2.1.1 to 2.1.3, once this proposal is approved, we will ensure that all the relevant documents, are translated into isiXhosa. The time frame identified for the completion of such translation process is 90 business days, and shall occur simultaneously with the preparation of changes to internal training manuals used for the training of branch staff. During this time, it is also envisaged that Real People will fine-tune the planning of the practical infrastructure needed to ensure that in addition to providing such documents, all branches have access to resources whereby the contents of the documents can be explained to potential clients in circumstances where a branch might lack someone who speaks a particular language.

As not all the branches will have an isiXhosa speaking employee, given the demographics as set out above, a system will be implemented whereby a consultant will be able to call a call centre where the client can raise queries in isiXhosa, and have the terms and conditions of the product explained to him or her. Given the logistics of the phasing in of a new language we hereby propose to having a fully

operational system whereby clients will be able to be attended in isiXhosa within one (1) year after acceptance of this proposal.

After all the documents referred to in clause 3 are translated, they will be manually deployed to all 73 branches, and the relevant training of branch staff with respect to the implementation of the change to language policy shall simultaneously commence. It is envisaged that this will take a further 90 business days (or approximately 8 months in total from date of acceptance of this policy by the National Credit Regulator).

It is then envisaged that the effect of the new language system will be reviewed for a period of 90 days after the completion of the country-wide training roll-out, to assess operating costs, to identify potential problems with the Call Centre infrastructure, and to effect any necessary amendments to the loan documentation, taking account of the feed-back received from individual branches.

## 5.2. Stage 2: Implementation of Sesotho roll-out

Once isiXhosa has been implemented we can start with the implementation of Sesotho which, as explained above, we foresee being implemented within the second year after acceptance of this proposal and along similar time frames, based on the review of the success of the isiXhosa language policy (as has been stated above, at the present time, the overwhelming majority of clients select English documents despite the availability of Afrikaans documents), coupled with an annual scheduled review of our language policy (it is envisaged that the policy will be re-assessed on an annual basis to determine the feasibility of rolling out a new language, after isiXhosa and Sesotho in the longer-term (post-24 months), based on the costs associated with and client-selection of and reliance on the alternative language documents).

## **6. Marketing and advertising materials**

### 6.1. Marketing material

When marketing materials such as posters and brochures are distributed to the various branches of the Real People Group, the relevant marketing material will be translated into the most predominant language, from those available in terms of this proposal, that is utilized in the area serviced by that particular branch, which language choice shall be made taking into consideration the factors of Section 63(1) set out above.

### 6.2. Advertising

In terms of the use of newspaper and radio advertising we are guided by the particular vernacular of the publication or station in the region that the advertisement is being publicized in.