(Bloomberg) — Affirm Holdings Inc. surged in post-market trading after entering a partnership with Amazon.com Inc. to help consumers finance large purchases made on the e-commerce giant's website.

The tie-up will let Amazon customers pay off splurges greater than $50 in monthly installments, Affirm said Friday in a statement. The companies already began testing with select customers and will make the option more broadly available in the coming months.

Affirm's shares jumped to $92.50 as of 7:21 p.m. in New York, up 36% from the close of regular trading.

Led by Chief Executive Officer Max Levchin, Affirm is part of the growing bevy of startups that help consumers split up purchases into smaller installments. The options have exploded in popularity in the U.S. in recent months, especially among younger consumers. Americans spent as much as $25 billion using the plans in 2020 alone.

What Bloomberg Intelligence Says

"If Affirm captures just 1% of Amazon.com's North America sales through this deal, it could add over $900 million, or 10%, to revenue. The deal comes just in time, as Affirm's largest customer — Peloton at 20% of revenue — has lowered prices and trimmed sales expectations."

–Julie Chariell, BI senior fintech industry analyst

Click here to read the research.

Yet for Amazon, the deal gives shoppers one more way to pay later for things they want now. The retailer already has credit-card offers for Prime members with cash-back incentives or introductory zero-interest terms through partnerships.

Affirm vowed it wouldn't charge any late fees, and the company said customers would know the total cost of using its services at checkout.

(Updates with excerpt on analyst's comment.)

Source: **[Affirm Soars on Amazon Partnership to Split Up Big Purchases]**