

PayPal co-founder raises \$100m for new payments startup

WASHINGTON - Affirm, a startup led by PayPal co-founder Max Levchin, said on Thursday it secured \$100m in financing to expand its consumer lending business that aims to disrupt the credit card industry.



Max Levchin, co-founder of Affirm, Inc. which says it "offers consumers an alternative to traditional credit with a straightforward, transparent loan product" ©Drew Angerer ([Getty/AFP/File](#))

The financial tech company said it had obtained the line of credit from investment bank Morgan Stanley.

That brings Affirm's financing to over \$400m, according to the online database Crunchbase.

A company statement said Affirm "will leverage the facility to continue its expansion of consumer-friendly point-of-sale financing at leading online and offline retailers."

The startup "offers consumers an alternative to traditional credit with a straightforward, transparent loan product," according to the statement.

Consumers can finance purchases through Affirm, which sets interest rates based on "proprietary technology to verify identity and assess credit risk in seconds."

By using more sources of information than conventional credit rating agencies, Affirm can serve "to a broader set of consumers," the company says.

Affirm said it has agreements with more than 750 merchants. It offers retailers an advantage over credit card payments by assuming fraud risk and guaranteeing immediate payment.

Levchin was a co-founder of PayPal, which was sold to eBay in 2002 for \$1.5bn and later spun off.

Source: AFP

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